Commerce Today

NOVEMBER 10, 1975

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What's being done to fight crimes against business?

FROM THE SECRETARY

Defining White Collar Crime

This guest editorial written by Edward H. Levi, Attorney General of the United States, complements the cover story beginning on page 5.

In trying to understand and combat "white collar crime," it is helpful to define the term more precisely.

The U.S. Chamber of Commerce, which estimates that the public cost of white collar crime is a mind-boggling $40 billion a year, defines the term as illegal acts characterized by guile, deceit and concealment that are not dependent upon the application of physical force or violence or threats of same.

By focusing on the nature of the violation rather than on the nature of the violator, this definition is considerably more encompassing than the traditional one, which tends to concentrate exclusively on top management and so-called "crime in the suites."

I like the Chamber's definition, because it is important to understand that white collar crime is not solely a synonym for corporate crime or business crime, but is much broader. It ranges from bankruptcy offenses to securities fraud, and covers banking offenses, corruption, consumer-related offenses, criminal redistribution of stolen goods, frauds against the government, insurance frauds, and labor, welfare and pension fund offenses.

The Department of Justice is particularly concerned about this facet of the growing national crime problem. The Department has secured recent convictions against a listed corporation and its two principal officers on tax fraud charges; an indictment has been returned against another corporation, and at least 11 other major corporations are currently under investigation for similar offenses. There are also pending more than 50 investigations in the area of illegal political contributions.

Early this year I established a special Departmental committee to formulate mechanisms for coordinating law enforcement and prosecutorial efforts against those engaging in white collar crime and to assess changes needed in solving the problems posed by such offenses. The chairman of the committee is the Deputy Attorney General and its membership includes the heads of the Department's major divisions, the Director of the FBI, the Administrator of the Law Enforcement Assistance Administration, the Director the Executive Office for United States Attorneys, the Chairman of the Attorney General's Advisory Committee of United States Attorneys, and the United States Attorney for the Southern District of New York.

The committee is reviewing existing programs and efforts in the area of white collar crime and is making recommendations for some procedural changes as its work progresses. I anticipate that its review should be completed early in 1976.

But even concentrated enforcement under existing laws can assure only a partial success. Our efforts in this area will be enhanced by enactment of legislation to overcome the shortcomings of present law. Several new tools for dealing with white collar crime are contained in the proposed revision of the Federal Criminal Code—now pending as S. 1 and H.R. 3907. Among its more important provisions affecting white collar offenses are those concerning injunctive relief; clarified individual liability for acts or omissions on behalf of corporations; new offenses to reach corporate fraud in insurance insolvency actions and pyramid sales schemes; clarified means of reaching commercial bribery; substantially higher penalties for large-scale theft, fraud, and tax evasion operations; increased penalties for all unlawful corporate practices that seriously endanger human health; generally increased emphasis on the deterrent purpose of sentencing, especially for white collar offenders; more innovative conditions of probation; greatly enhanced general fine levels and alternative fines scaled to the gains or losses resulting from the offenses charged; and notice to victims of convicted corporations to facilitate civil class actions.

It should be noted here that the Department's efforts would be hampered considerably by passage of pending legislation that would limit appropriate access by law enforcement officials to bank records and Internal Revenue Service data. In my view, such access is vital in the detection and successful prosecution of many sophisticated white collar and corporate offenses.

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ECONOMIC HIGHLIGHTS

Inventories Play Major Role In Rebound; Rise In Real Output Largest In 20 Years

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

The nation's production of goods and services surged in the third quarter, rising 11.2 percent in real terms, the highest annual rate of gain in 20 years. The major part of the increase stemmed from a sharp slackening in the rate of inventory decumulation. Other notable developments included: the first substantial rise in homebuilding in 3½ years, a leveling off of business fixed investment after a year of decline, and further improvement in consumer spending.

The reduction in business inventories was only about one-third as large as the record cutback in the second quarter. The ratio of inventories to sales in the third quarter was still rather high by historical standards and it appears likely that there will be further correction before inventories once again begin to grow in line with rising sales. It seems clear, however, that the major part of the economic stimulus from inventory correction is now past.

While the rise in final sales, after adjustment for inflation, approximately matched the 4½ percent gain of the second quarter, there was a sharp acceleration in domestic final sales, from a modest rise in the second quarter to 6 percent in the third. Final sales, which exclude the effects of inventory change, reflect current demand; domestic final sales measures that part of demand that is satisfied from domestic production.

The marked strengthening in domestic final demand chiefly reflected a turnaround in fixed investment, from a decline in real terms of 12 percent (annual rate) in the second quarter to an 8 percent rise in the third. The increase was all in residential construction, which recorded its first strong gain in 3½ years. Housing starts rose 25 percent from April to July, but were still very low by historical standards. The financial situation of mortgage-lending institutions remains favorable for further increases in home financing.

Business fixed investment leveled off in the third quarter, after four quarters of sharp declines. A rise in business investment will be needed next year to keep the economic recovery on course after the stimulus from the inventory turnaround is spent. Two indicators—corporate cash flow and contracts and orders for plant and equipment—are pointing to at least a modest upturn. Corporate profits and cash flow increased sharply in real terms in the second quarter, with a further increase expected in the third quarter. Capital investment normally follows the trend in cash flow with a moderate lag. In addition, the investment tax credit of 10 percent will continue in effect next year, even if there is no change in present tax law.

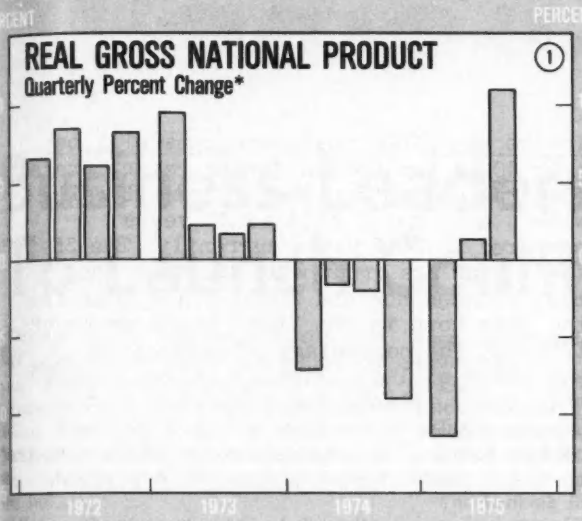
Consumer expenditures, which rose substantially in the second quarter, registered an even larger gain in the third quarter—an annual rate of increase of 7 percent. The strengthening was due largely to a sharp improvement in automotive purchases. Sales of 1975 model cars increased substantially in the summer, and the 1976 models, introduced in September and early October, have been well received by the public. The relatively high prices of used cars, and hence of trade-in values, are favorable for new car sales. Consumer buying of nondurable goods and services rose about as much in dollar terms in the third quarter as in the second, but a larger increase in prices meant a smaller gain in volume.

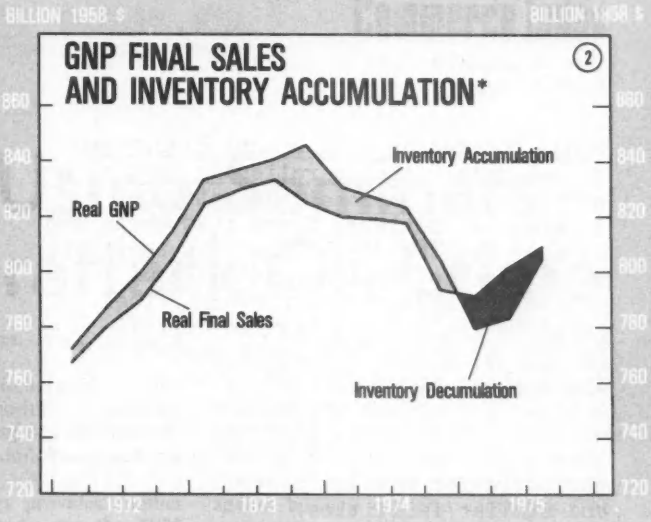
Consumers relied heavily on past savings to finance their stepped-up buying during the quarter. A substantial part of these savings had been accumulated out of the one-time tax rebate and bonus payments in the second quarter. Disposable personal income remained unchanged in the third quarter, but consumers nevertheless increased their outlays by $31 billion. The savings rate had risen sharply in the second quarter, but it dropped back again in the third to a more normal level.

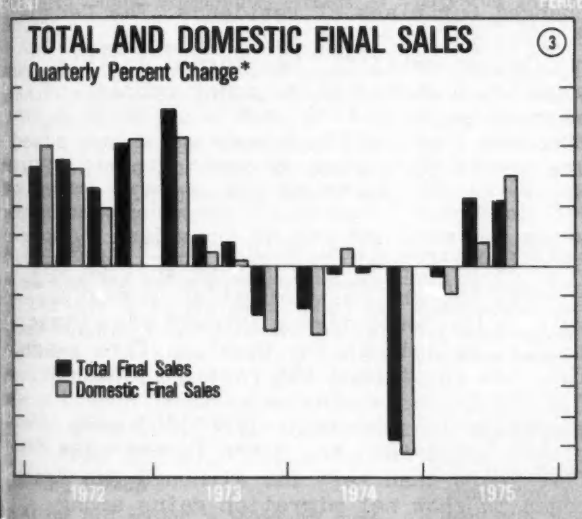
The underlying trend in real disposable personal income is sharply upward after a period of decline. After adjustment for inflation and the special, one-time government payments, disposable income increased 6.7 percent at an annual rate from the first to the third quarter. With the tax cut changes excluded, the rate of rise would have been 4.4 percent. The improvement since the first quarter is in sharp contrast to the preceding 4 quarters, when real disposable income declined by 4 percent.

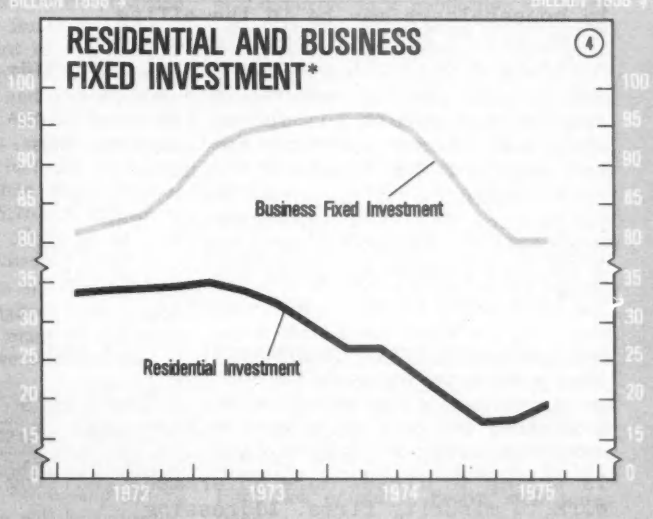
The gain in real personal income so far this year reflects both a stronger rise in dollar income and a substantial lessening in price inflation. In the third quarter, however, the price rise accelerated somewhat. The most comprehensive measure of general price change, the GNP chain price index (in which the weights of the components are held constant between successive quarters), rose at an annual rate of 7.3 percent, compared with 5.4 percent in the second quarter. The acceleration was very largely in prices of food and energy, and came chiefly in the early part of the quarter. Food prices have recently leveled off, partly reflecting the record-large crops, but in fuels, the future impact of the OPEC oil price increase and of possible domestic price decontrol is uncertain.

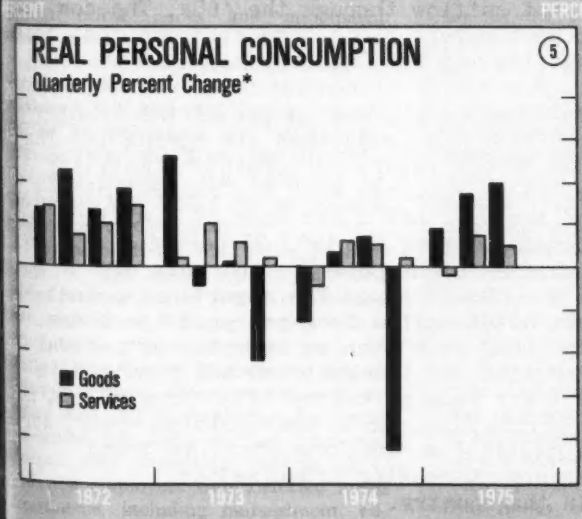
The acceleration in domestic final demand in the third quarter was offset by a decline in net exports of goods and services, as imports rose more sharply than exports. About half of the rise in imports occurred in crude petroleum, partly reflecting efforts to anticipate the October oil price increases by OPEC. The remaining rise was mainly in consumer goods imports. Agricultural commodities accounted for most of the export gain. The foreign trade balance is expected to diminish further in coming quarters as the economic recovery—and hence the demand for imported goods—proceeds at a faster rate in the U.S. than in its major trading partners. In the third quarter, however, the trade balance was still very substantial.

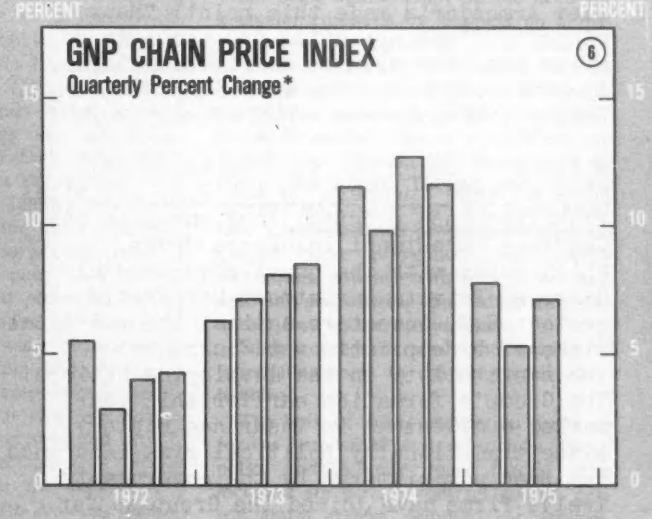

REAL GROSS NATIONAL PRODUCT
Quarterly Percent Change*
1
PERCENT
1972
1973
1974
1975


GNP FINAL SALES
AND INVENTORY ACCUMULATION*
2
BILLION 1958 $
Inventory Accumulation
Real GNP
Real Final Sales
Inventory Decumulation
1972
1973
1974
1975


TOTAL AND DOMESTIC FINAL SALES
Quarterly Percent Change*
3
PERCENT
Total Final Sales
Domestic Final Sales
1972
1973
1974
1975


RESIDENTIAL AND BUSINESS
FIXED INVESTMENT*
4
BILLION 1958 $
Business Fixed Investment
Residential Investment
1972
1973
1974
1975


REAL PERSONAL CONSUMPTION
Quarterly Percent Change*
5
PERCENT
Goods
Services
1972
1973
1974
1975


GNP CHAIN PRICE INDEX
Quarterly Percent Change*
6
PERCENT
1972
1973
1974
1975

Newsmemo

Small businesses will accept higher gas prices rather than a rationing system. A survey by the National Federation of Independent Business found that three out of four smaller firms take this position. Many responded that any cutbacks of 10 percent or more in their present fuel supplies would force them to curtail operations and shrink their payrolls. Among those who preferred rationing, a sizable proportion operate recreation-oriented businesses. They are concerned that higher gas prices would mean loss of customers for motels, resorts, ski lifts and similar facilities.

"Time of day" charges for electricity used by householders may be in the offing. Increasingly utility companies are considering a peak/off-peak two-level rate system for residential users. This would require new meters to replace the traditional kilowatt-hour variety. Westinghouse has put years of R & D into refining a complicated two-dial meter that compartmentalizes its flow measurements. The company has now announced plans to produce a limited number of these dual units for utility service early next year.

CPAs with minority backgrounds should pool their talents to qualify for the larger government contracts. So advises Commerce's Office of Minority Business Enterprise. OMBE, along with other government agencies, is trying to direct more government auditing work to minority firms. Addressing Spanish-speaking accountants, OMBE director Alex Armendaris made this point: "Many minority firms are still too small to go after the larger, more profitable awards. By combining their resources, however, the bigger contracts come within their reach."

A drive is under way this month to add more private insurers to the U.S. political risk insurance program. They can join the Overseas Investment Insurance Group, which works with the quasi-governmental Overseas Private Investment Corporation to protect U.S. investors against the political risks of expropriation and currency inconvertibility in the developing nations. The Group's formation earlier this year marked a milestone in insurance history, since traditionally political risk insurance has been administered by the government. Twelve firms have joined the Group so far.

In the year 2000 most Americans will be over 30. A new Census Bureau report projects that the median age that year will fall within a range of 31.4 to 37 years, compared to 28.6 years currently. The 35-to-44 year age group will increase the most between now and 2000, since they are the ones born in the "baby boom" years of 1956-65. The percentage of persons 65 and older will be slightly larger in 2000 than today. Blacks are projected in the Census study to be 12.6 or 12.7 percent of the total U.S. population in 2000, compared to their present proportion, 11.4 percent.

Americans are on the move. In the period between 1970 and 1975, 41.3 percent of us changed our place of residence. The Census Bureau, in its first five-year study of population mobility, has turned up this nomadic characteristic. Young people, of course, are most inclined to shift base-72 percent of the 25-29 year age group moved during the period and 60 percent of the 20-24 age group and the 30-34 age group.

The South will rise again, and this is the verdict of Census analysts as well as the songsmiths. The net population migration gain in the South during 1970-75 was almost triple its gain in the previous five years. This has reaffirmed the reversal of the South's long-standing pattern of net migration losses. About 1,800,000 more people moved into the South in the past five years than left it. Although the South began to show net migration gains among whites in the '50s, black migrants continued a net outflow through the '60s. The new Census report finds some evidence that this outflow may be diminishing.

More people are moving out of the country's metropolitan areas than are moving in. The new Census report on population mobility cited above shows that the central cities of the U.S. had a net loss of 7 million persons during the 1970-75 period. Suburban areas showed a net gain of 5,400,000 persons. The report notes that net outmigration from metropolitan areas, combined with changes in rates of natural increase and immigration, has resulted in a lower rate of metropolitan growth, but not a population loss to metropolitan areas, nor a decline in the long-standing trend toward increasing urbanization in the country.

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Business Leaders Using Seminars To Launch Counterattack On Crime

Crimes against business will cost this country more than $23.6 billion this year. That's more than the combined yearly sales of Sears & Roebuck, Montgomery Ward, and J. C. Penney. It amounts to $165 for every adult American, for it is the consumer who will wind up footing the bill.

Put another way, the ratio of the dollar loss from crimes against business to total estimated capital expenditures exceeds 20 percent.

And viewed from still another angle—dollar crime losses as a ratio of corporate pre-tax profits are a striking 15 percent.

What's being done about it? Not enough, certainly, but Commerce's Bureau of Domestic Commerce recently inaugurated a seminar series that should help acquaint businessmen with the magnitude of the problem and tell them how they can help cure this running sore that is draining the nation's economic health.

"The aim is to provide a forum in which business, government, and law enforcement officials can focus on specific steps that each can take to reduce crimes against business," according to Norris A. Lynch, director of BDC's Consumer Goods and Services Division.

Opening session

At the first session, a September meeting in Cincinnati, panelists discussed current crime issues and anticipated trends, possible local solutions, federal programs, and exchanged information on techniques that have proven successful.

Almost 200 concerned business people listened to prominent law enforcement officials from the FBI, the Hamilton County Prosecutor, the University of Cincinnati's Law School and the assistant police chief of Cincinnati.

They pointed out that, although shoplifting is the most highly publicized crime problem, many observers believe that losses from theft by employees are substantially greater. Evidence to substantiate this view is fragmentary, but retailers in a major urban area recently reported that 3,128 employees had been prosecuted for theft or had been discharged after confessing theft in 1974. Dishonest employees were detected in all departments, including management, engineering, and personnel, but the majority of thefts, 80 percent on a dollar basis, occurred in sales, stock, and the cashroom.

Eighty-one of the discharged or prosecuted employees held positions in security, which illustrates the scope of the problem and the difficulty in combating employee theft.

The banking industry provides another case in point. FBI figures for the 1975 fiscal year show a total of 5,050 robberies, larcencies and burglaries which produced a total of $44,528,499 for their perpetrators. More than a third of this loot, or $15,028,416, was recovered. However, in the area of bank fraud and embezzlement, largely the province of "inside" operators, more than twice as many incidents, 10,181, were reported in fiscal 1975, and they involved more than four times as much money, $188,735,762. A little more than 18 percent of these funds, or $34,010,7333, were recovered.

And remember, these are only the incidents where the wrongdoer was caught. We must assume that many of the more proficient embezzlers went undetected.

Everyone Gets Hit

"If you make, distribute or sell a product in a retail store, and employ help, your firm will be robbed if there is anything worth stealing." So say the authors of a recently-released 31-page booklet on "How to Fight Industrial Larceny and Pilferage."

The guide discusses actual cases of industrial larceny and business espionage and tells how industrial thieves think. It lists the eight most common (and fallacious) excuses management gives for not adopting hard-headed industrial security practices: bad publicity, poor labor relations, loss of trained personnel, potential law suits, impact on morale, ability to absorb losses, displeasure of board of directors and, finally, guilt over putting temptation in the way of employees. It also tells how to test a plant for security and provides a security checklist.

Order only from the publisher, Pilot Books, 347 Fifth Avenue, New York 10016, at $2 per copy.

But it's not only retail storeowners and bankers who are vicitimized by their own employees; any firm big enough to have a payroll is fair game.

New wrinkle

One of the newer forms of crimes against business concerns computers. The computer's capabilities can be misused in many ways, points out the U.S. Chamber of Commerce in a publication on white collar crime. In addition to computer fraud, which the Chamber says has involved amounts of up to $5 million in a single incident, computer abuse can take the form of embezzlement, misappropriation of computer time, theft of programs, and illegal acquisition of proprietary information.
mation.

Losses from inventory shortages due to shoplifting and employee theft on the order of 3 percent of sales are not uncommon in the retail industry, and in some stores theft losses reach 10 percent of sales. Inventory shrinkage resulting from theft is a recognized factor in the downturn of profits, branch store closings and in bankruptcies. In a test conducted in one New York store, 500 shoppers were chosen at random and observed closely. Forty-two, or one in twelve, stole something.

All these figures point up the need for a greater emphasis by business on a major preventive measure . . . security. Business spent about $3.9 billion in 1974 on crime prevention programs. In light of the current economic losses, one could question whether this is a sufficient expenditure or whether it is being spent on the proper things. Though there is not any one solution to stem the rising crime rate, a well-designed program utilizing advanced crime prevention and security techniques, coupled with preventive management procedures, can reduce the economic loss to the businessman.

Such a program needs the support of top management to ensure overall effectiveness.

The bulk of crime prevention funds go for the purpose of services, such as special police and in-house guard forces. Also included are private contract guards, central alarm system, armored car services, special construction and lighting and security mirrors and TV-devices.

ORGANIZING TO STRIKE BACK—*There were some lighter moments at the first Commerce-sponsored seminar on combatting crimes against business, held recently in Cincinnati, but the overall mood of the meeting was reflected by Lt. Col. Bracke, Cincinnati assistant police chief. In view of the enthusiastic response, subsequent sessions are planned in cities across the country.*

The use of these protective measures is often due to insistence by insurance firms, backed by the threat of cancelling protection, or the granting of premium discounts for their implementation.

Although businessmen are spending huge amounts for private prevention efforts, there are indications that these efforts may be too passive. For example, insurance representatives claim that businessmen often take minimal precautions against robbery and burglary once they have obtained insurance. Also many sources indicate that businessmen generally are not particularly interested either in learning the extent of the problem or the protective measures presently available.

Thus, in a sense, businessmen may be tending to view criminal acts and rising crime rates as "society's" problem. Unlike individuals who take stringent measures to protect themselves from criminal acts out of fear of bodily harm, all too often businessmen tend to think of crime as something over which they have no control and from which they should be protected by others.

This attitude can only lead to ever-increasing losses to crime.

Businessmen should look at the crime problem the same as any other operating expense—a cost. Costs affect the bottom line, and if a businessman is not interested in the bottom line he won't be in business for long. Combatting crime can involve costs, but also can generate a return that markedly improves the bottom line.

Cutting crime losses should receive the same sort of constant aggressive attention devoted to cutting labor costs, facility costs or any other costs that sap profits. This involves careful review of such things as the sufficiency and quality of present protective efforts, prosecution practices, and employee selection and training.

Lynch points out that to combat crime business must:

—Make security a major high-level management objective;

—Learn of and adopt (if not develop) more professional approaches to property protection. In many cases, present knowledge is not being applied;

—Devote more attention to what industry associations are doing to develop awareness of the problem and find new techniques to limit crime losses. This is very important for the "little guy" who bears a disproportionate share of the crime burden but does not have the resources to develop techniques of his own;

—Make greater efforts to follow through on prosecuting people apprehended. Laws have little deterrent effect if not enforced. Even limited tactical enforcement might do much to deter minor offenders;

—Take an interest in public service contributions toward improvement of prosecuting and court processing systems;

—Stop serving as a "fence" for stolen merchandise. The incidence and interaction between illicit supply sources and the business population is significant. Without a ready outlet, crime "rip offs" become more difficult and less profitable.

—Promote an awareness of the problem in the business community;

—Assist public and private units actively working for crime prevention, and

—Disseminate information on means of reducing the problem.

Businessmen have a tendency to lose gains through attrition after they think they have a problem under control. They lose sight of the fact that thieves are ingenious; they are always devising new ways to rip off the merchant. So it is not surprising for a store or manufacturing firm to reduce its inventory loss to an "acceptable" 1.5 percent only to see it rise to 4-5 percent the next year.

This points up a need for constant dialogue between security personnel, top management and employees as to responsibilities and techniques to combat crime.

The real question to be settled is whether (1) business wants to bear the cost of subsidizing crime by treating it with kid gloves or (2) wants to invest in a gloves-off strategy which, although not without costs, promises to earn a much higher return over the long run.

The first strategy tolerates crime, places responsibility at the doorstep of law enforcement agencies and legislatures, and abdicates responsibility for self regulation.

The second strategy leads to development of aggressive policies and procedures that (1) anticipate and combat crime within any given business; (2) weed out, through individual and collective action, problems common to an industry or profession; and (3) forge cooperative relationships with law enforcement.

Is there really any choice for an American businessman committed to the principle of individual initiative?

Watchdog Cameras

Many businesses are installing surveillance cameras to help cut their merchandise losses and to discourage armed robberies. A recently-published Justice Department booklet, "The Selection and Application Guide to Fixed Surveillance Cameras," helps management decide whether it needs such equipment and, if so, how much it will cost.

The Law Enforcement Standards Laboratory of Commerce's National Bureau of Standards helped prepare the guide. Copies are available from the Superintendent of Documents, U.S. Government Printing Office, Washington D.C. 20402, for 85 cents apiece.

Congress Has First Of New Studies On Foreign Investment In U.S. Firms

The first truly comprehensive picture of foreign investment in U.S. enterprises in several decades is emerging from twin studies now being completed in the Commerce and Treasury Departments.

Interim reports submitted to Congress last month by the two departments put into sharp focus the major significance of new statistics and analytical studies soon to be available on foreign investment activity. The nation has been relying on surveys made in 1959, 1948 and as far back as 1941 as the basis for much of its information on the extent of investment from abroad.

When the current studies are issued next April the U.S. will have the most comprehensive figures ever on both "direct" and "portfolio" investment. This will be the result of the collection and analysis of responses from 7,500 U.S. enterprises in which there is foreign controlling interest, and from 10,000 foreign investors in U.S. securities.

Under the Foreign Investment Study Act of 1974, the Commerce Department is conducting the study of foreign direct investment, which covers U.S. firms in which the foreign-owned equity is 10 percent or more. The Treasury Department is studying foreign portfolio investment, which covers voting stocks involving less than 10 percent ownership, non-voting stocks and debt instruments with maturities of more than one year.

One of the highlights of the interim reports transmitted to Congress was an estimate by Treasury officials that foreign portfolio investment in the U.S. at the end of 1974 was about $80-$85 billion. This figure compares with a recently reported estimate of about $48 billion derived from various statistical sources. Officials at both Commerce and Treasury expect further improvement in investment statistics when the new benchmark survey figures are fully available for analysis.

The Commerce benchmark survey on foreign direct investment brought 7,200 replies from U.S. firms, with about 300 more expected. Processing has been completed on about a third of the responses, but these are not regarded as representative of the entire list, and it was cautioned that any conclusions about the nature and extent of foreign control of American enterprises would have to await the outcome of further processing and analysis.

Many-sided study

The survey is one of the major elements of Commerce's overall study. The interim report on the study, sent to Congress Oct. 24, also summarizes several preliminary studies undertaken by the department or for it by private contractors. Among these are reports on foreign investment in certain resource-oriented industries and banking institutions, on investment motivations, financing, industrial and geographic concentration, and employment and other labor-related effects, and on the investment policies and regulations of the United States and a number of other industrialized nations. Moreover, it provides a completed report on the legal regulation of alien land ownership, as well as a status report on additional investigations concerning foreign investment in land.

It also incorporates a special study by Price, Waterhouse and Co. evaluating source material concerning foreign direct investment in the U.S. available in about 20 federal agencies. This study will be used in developing the essential information required by Commerce's new Office of Foreign Investment in the United States.

When the final study is released next April, it will cover:

- Nature, scope, magnitude, and rate of foreign direct investment activities in the United States;
- Reasons foreign firms are investing;
- Processes and mechanisms through which foreign investments flow, financing methods used, and effects on American financial markets;
- Scope and significance of foreign direct investment in acquisitions and takeovers of existing American enterprises, in the form of new facilities or joint ventures with American firms, and the effects on domestic business competition;
- Concentration and distribution of foreign direct investment in specific geographic areas and economic sectors;
- Effects on United States national security, energy, natural resources, agriculture, environment, real property holdings, balance of payments, balance of trade, the United States international economic position, and various significant American product markets;
- Effects in terms of employment opportunities and practices and the activities and influence of foreign and American management executives employed by foreign firms;
- Effects of federal, regional, state and local laws, rules, regulations, controls, and policies;
- Comparison of the purpose and effect of United States, state, and local laws, rules, regulations, programs, and policies on foreign direct investment in the United States with laws, rules, regulations, programs, and policies of selected nations;
- Comparison of foreign investment activities in the United States with investment activities of American investors abroad and appraisal of the impact of such American activities on the investment activities and policies of foreign firms in the United States;
- Adequacy of information, disclosure, and reporting requirements and procedures, including the effects of variations between accounting, financial reporting,

and other business practices of American and foreign investors.

Data from outside the benchmark survey indicate that the value of foreign direct investments in the United States at yearend 1974 was $21.7 billion, compared to a total of $6.9 billion in 1960, a gain of 200 percent in the 14-year period. Particularly significant was the accelerated growth in the past several years. Whereas from 1960 through 1972 the average annual rise was about $650 million, the yearly gain since 1972 was over $3.4 billion. In 1973 and again in 1974 gains of 20 percent over the preceding year were registered.

These figures on direct investments in the United States may be compared with U.S. direct investments abroad. As of yearend 1974 the latter approached a value of $120 billion or approximately 5½ times the value of inward investments.

Of the portfolio investments reviewed so far, Treasury officials found that the total was approximately equally divided among corporate stocks, private debt instruments, and U.S. Government bonds and notes.

Nearly all of the foreign-held U.S. private securities were held by foreign private holders while nearly all of the foreign-held U.S. Government securities were held by official institutions, e.g., central banks.

Recorded residences of foreign private holders of U.S. securities were heavily concentrated in a few countries. Nine countries accounted for nearly 90 percent of the total and over half of the total was accounted for by Switzerland, the United Kingdom and Canada.

The recorded holdings of oil exporting countries were relatively small, with the OPEC countries as a whole accounting for about 3 percent of the total.

Over two-thirds of the recorded foreign private holdings of U.S. private securities was held by foreign banks, brokers and other nominees, much of which was presumably for the account of other persons and institutions. Tracing ultimate ownership is impossible in many cases.

Foreign holdings of private U.S. securities were fairly well diversified among the various U.S. industries, particularly in the case of stocks.

Recent Foreign Acquisitions: Some Publicized, Some Not

A number of significant publicly-announced foreign direct investment transactions that occurred in 1974 or the first nine months of 1975 were mentioned in the Commerce Department interim report. Some of these, it was noted, were widely publicized, and others, equally large, have taken place almost unnoticed.

German chemical and drug companies (Farbewerke Hoechst, BASF and Bayer AG), it was mentioned, continued their investment activities, with Hoechst acquiring Foster Grant (a manufacturer of petrochemicals and plastic products) and Bayer purchasing Cutter Laboratories (a pharmaceutical maker). Bio-Dynamics, Inc. was acquired by German-controlled interests and a factory of Midland Ross was purchased by German steel interests controlled by Korf.

Ciba Geigy of Switzerland acquired several U.S. companies—Funk Seeds Inc., Airwick Industries and Fiberite Corp.

The largest U.S. firm in terms of sales acquired by foreign interests during this period was Indian Head Inc., a producer of textile specialties, metal products, and glass containers. In August 1974, the Dutch Thyssen-Bornemisza Group increased its equity in the company to 92 percent after purchasing a 34 percent share a year earlier.

The Magnavox company was acquired by North American Phillips, a Dutch subsidiary, and Signetics Corp., a California company owned by Corning Glass Co., became wholly owned in 1975 by a unit of U.S. Phillips Trust, beneficiaries of which are the stockholders of the Dutch firm Phillips N.V. Royal Dutch Shell, Dutch and British controlled, continued to add to its investment within the United States in this period.

More modest investments by Belgian, Luxembourg, and French interests include the acquisition of the polyethylene business of Celanese by Solvay & Cie. and Cos Mar Co. (a Louisiana manufacturer of styrene monomer) by Petrofina. The acquisition of National Union Electric Company by Electrolux (Swedish) was among the very large investments of the 1974-75 period.

Major British investments included the 1974 acquisition of Signal Oil and Gas by Burmah Oil Co., Ajax Magnethermic Corporation by the Guthrie Group Ltd., a division of Harris Corp. by Molins Ltd., and Keebler Corp. by United Biscuits Holding Ltd.

The acquisition of ESB Inc. by International Nickel was the single largest investment by a Canadian company and one of the three largest of those identified. Also the Canadian Development Corp. finalized a sizable interest in Texasgulf Inc. in early 1975. The Steel Service Co. was acquired by Azcon Company, a U.S. subsidiary of a Canadian firm which in turn is controlled by Consolidated Gold Fields Ltd. (British).

Thomson Newspapers, which has controlling interests in a number of local U.S. newspapers, added another. Loblaw's acquired National Tea.

The larger investments by Japanese companies in this period included several in electronics, ball bearing and chemical manufacture and others in natural resource-related industries. Motorola's TV receiver business was acquired by Matsushita Electric, and Fisher Division of Emerson Electric was acquired by Sanyo Electric.

Nippon Seiko purchased Hoover's 50 percent of Hoover-NSK Bearings Inc. Sumitomo Chemical Co. invested in a new plant in Tennessee and another Japanese firm, Teijin Ltd., concluded a joint venture arrangement wth Rohm and Haas.

A large Japanese-U.S. joint venture involving forest products was reported. Mitsui and Company purchased an interest in Alumax, which is a joint U.S.-Japanese venture. A number of Hawaiian hotels came under Japanese control in 1974.

Although Middle East investments have received more attention than many of those listed above, the actual direct investments completed and verified are relatively few and relatively small. In 1974-75 control of two U.S. banks was obtained by Middle East investors, the larger being The Bank of the Commonwealth in Detroit acquired by a Saudi Arabian. Another Saudi Arabian invested in an industrial-commercial complex which is being developed in Salt Lake City and a Luxembourg corporation, reportedly controlled by a Saudi Arabian investor, purchased interest in the Arizona-Colorado Land and Cattle Co. Kuwaiti interests acquired Kiawah Island near Charleston, S.C., and more recently a number of residential and commercial buildings in Boston.

A number of much publicized Middle East investments have not materialized. The largest of these was the proposed plan for Iranian investment in Pan American World Airways which has been delayed, reportedly while the investment is being reappraised by Iran. There was also a reported effort to buy a sizable share of Lockheed Aircraft, but this was dropped.

One sizable investment proposal from Eastern Europe was reported in 1975—a Romanian joint venture with Occidental Petroleum to develop a metallurgical coal mine. In return for advancing a significant amount for equipment, Romania reportedly would receive a portion of the output of the mine.

In addition to citing acquisitions by foreigners, the Commerce report contained numerous announcements of plans to construct new or expanded facilities by foreign-controlled U.S. firms.

Morton Advocates Tax Incentives To Raise Capital Investment Funds

In the next ten years, the nation's work force will grow by 14 to 15 million persons, an increase of 15 to 16 percent over the 1975 total. Action is needed now to provide the investment which will be required to furnish jobs for these new entrants into the work force. This will require tax incentives to raise the portion of the gross national product going into investment, and a decline in the portion going to government.

These are major points made by Secretary of Commerce Rogers C. B. Morton in a statement presented to the House Ways and Means Committee, which is considering tax reform legislation.

Discussing the interrelationships involving investment, government spending and consumption for a healthy and prosperous future, Morton stressed the need for action in the following four areas:

- The share of GNP attributable to investment must rise if we are to provide the resources for reinvigorating and expanding the nation's industrial capital stock to create more jobs and help contain future inflationary pressures.
- Prompt action is necessary to reform the tax laws and provide greater incentives for saving and investment.
- The share of consumption in GNP must not materially decline if we are to provide both the base for improvements in the standard of living and the market incentives necessary for high levels of production.
- The share of government must, therefore, decline in a relative sense to accommodate these shifts. It is thus incumbent upon the public sector to constrain its growth to moderate levels, to increase the amount of public service provided in an absolute but not necessarily in a relative sense, and to facilitate an increased level of investment in future jobs for all Americans.

The problem of inadequate capital formation, Morton commented, is not a dry abstract problem interesting only to economists. It is a very real problem, as real as the food we eat, the clothes we wear, the car we drive, the house we live in, and the bills we must pay.

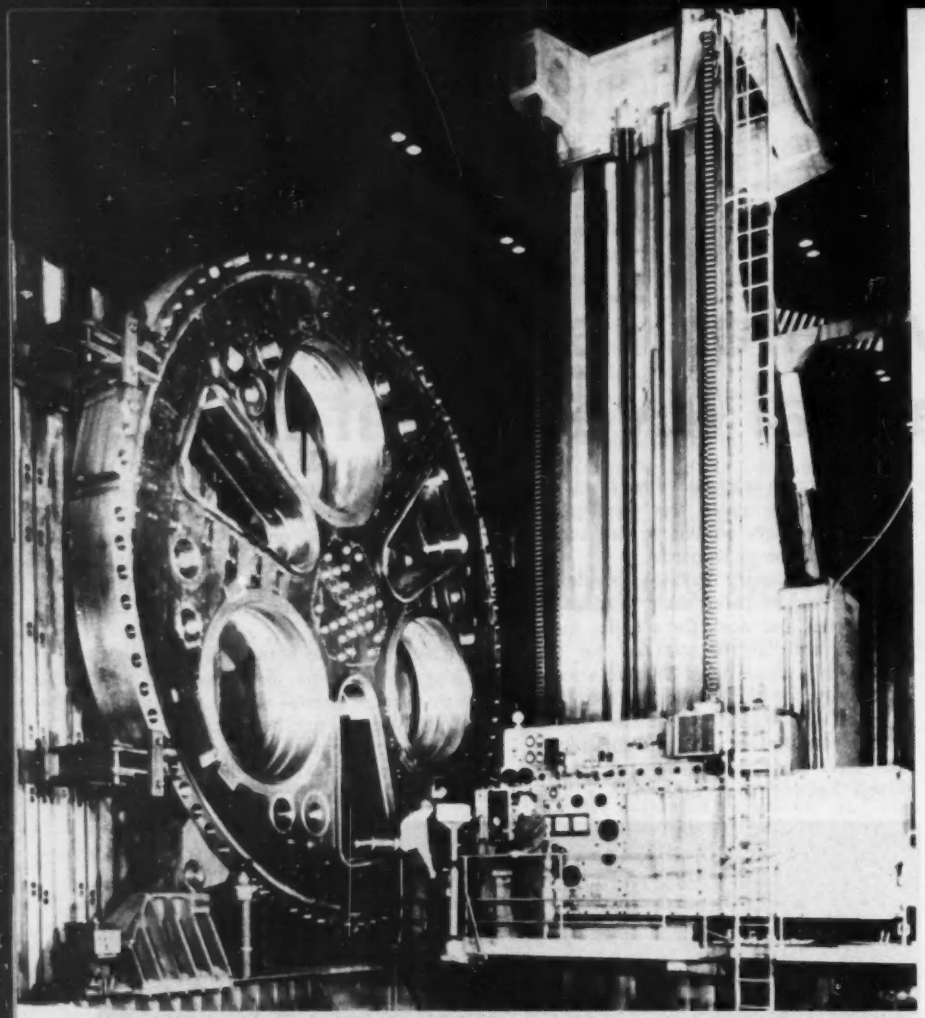
"I do not exaggerate when I say that, unless we face up to this problem, the American society we know and seek to improve will be in jeopardy.

"From a country built by people who were willing to defer their gratifications and to plan and work for a better tomorrow, we will, at the start of our third century as a nation have become a society living only for the moment. From a society of self-reliant individuals working to better themselves and their children, we shall have become a society of pressure groups fighting each other for a larger and still larger share of the Federal Government's generosity.

"We will think only of consuming, ignoring the tools for production. As a country, we will go on eating our seed corn, and let our tomorrows take care of themselves.

"Unless we take action now, at once, to make certain that the nation will have the investment capital it will need during the next decade, our factories will be too old and worn out to compete, our outdated technology will produce goods too shoddy and high-priced to sell, and our

SPARKING ECONOMY—*High-speed grinders remove surface defects from billets at the modern U.S. Steel Lorain-Cuyahoga Works. Investment funds to build up-to-date plants are an absolute must if the U.S. economy is to remain competitive and provide jobs for millions of workers who will be entering the job market in future years.*



BIG ORDER—*Modern technology makes increasingly complex demands on American factories, which need heavy injections of investment capital to keep their capabilities abreast of their customers' wants. This is the closure head, or lid, of a reactor being assembled to test materials for the nation's demonstration liquid metal fast breeder reactor. The largest single stainless steel forging ever made in the U.S., the closure head weighs 214 tons. It was produced in Combustion Engineering Inc.'s Chattanooga, Tenn., works.*

people will find fewer and fewer jobs. It is up to the Congress and the Administration to make those changes in the tax system that will foster greater investment, improve our standard of living, and provide jobs for all who are willing to work."

Explaining that he fully supported the Administration's tax proposals to achieve these objectives, Morton emphasized that people must be given greater incentives than present tax laws allow to save and invest their money, and business firms must be given greater incentives for investing in plant and equipment.

Morton explained that, without adequate saving, business will be unable to obtain the plant and equipment necessary to create desirable and productive jobs for the millions of new workers entering the work force in the next ten years.

Investment in plant and equipment also is needed, he said, to increase productivity so that costs and therefore prices will remain reasonably stable and the economy will expand at an adequate rate. Increased productivity also generally results in better wages for those employed.

Finally, investment is needed to satisfy the increasingly complex requirements of a growing society—for additional energy, a cleaner environment, and for a rising standard of living.

"Since increased investment is an essential ingredient of overall economic progress, the tax structure should be altered in such a way as to provide positive incentives for saving and investment. The return that producers receive from their investment as well as the amount of internally generated funds available for financing investment must be increased."

Morton said the present tax structure results in several barriers to financing, particularly equity financing. He emphasized that policies must be carefully formulated to assure that the private sector can meet the demands being placed on it with respect to orderly economic growth, energy independence, reasonable price stability and high employment.

"The need for a general tax reform is apparent," he said. "But the reform must be equitable and developed as a balanced package which recognizes the necessity to maintain total demand as well as the expansion of capacity for proper economic growth."

Increases in productivity are the key to raising real incomes and standards of living. But increased output of goods and services per worker, which is the essence of greater productivity, requires investment in people through better education and health, in research and technological development, and in new plant and equipment to make best use of the increased abilities of employees and the new technology.

At present, he said, we have unemployed skilled workers and underutilized technology. Stimulation of investment would immediately provide employment opportunities in the construction and capital goods industries. As new plant and equipment become operational, additional ouput will be available to each citizen, additional skilled workers will be employed and their productivity will be greater because they will be using more productive technology.

"If we want to achieve these desirable objectives, the rate of productivity growth in the private sector will have to be more than the three percent historical rate. The question is how."

Morton said that the high priority being accorded to improving the environment and strengthening safety conditions for workers means that capital investment required for these improvements will be very large during the decade ahead.

Despite their invaluable social merit, he added, many of these investments do not contribute directly or substantially to overall production or to the creation of new jobs. As many of these improvements are mandated by government, the savings remaining for investment in productive capacity will be yet smaller.

Morton emphasized that capital availability is also critical to the national goal of energy independence, and that achieving independence demands greater investment in this area of production than has been provided historically.

Various projections, by government and private sources place energy sector capital requirements in the range of $600 billion to $1 trillion, or an average of from $60 to $100 billion a year, during the next ten years.

This represents a great increase in the energy sector's demand on the nation's capital resources. For example, during the entire decade of the 1960s, energy industry investment totaled less than $200 billion, or less than $20 billion a year.

The magnitude of the projected energy investment is further illustrated by the fact that in 1974 private fixed investment for

BRINGING HOME THE MEAT—*This new meatpacking and fabricating plant in Cactus, Texas, represents a $23 million investment by the Swift Fresh Meats Company, and should provide between 600 and 800 jobs to spur the local economy.*

all U.S. industries amounted to about $150 billion, of which about $31 billion was for energy purposes.

The share of the gross national product going to nonresidential investment has been relatively stable during the last 25 years. In 1949 it was slightly less than 10 percent, and in 1975 it is still estimated at a little less than 10 percent although in 1973 and 1974 it climbed to about 10.5 percent.

Yet the share of the GNP represented by nonresidential investment, will have to be moderately larger than it has been in recent years if the needs pressing upon the nation are to be satisfied, according to Morton.

"This is an extremely important conclusion," he emphasized. "It means we must do more than simply increase the size of the pie, that is the GNP. Since investment is financed from saving, to increase the investment share of GNP we must increase saving. In effect we need to shift our policies to encourage saving. Because it requires several years of substantial increases in saving to increase the relative investment share of GNP by a moderate amount, say 1.5 percent, it is urgent that we take action promptly. We must be careful, however, that the actions we take are not necessarily at the expense of consumption."

How is the money to be raised? Business firms as a rule prefer to finance investment from internally generated funds made up of retained earnings and depreciation allowances. Such cash flows form the greater part of business fixed investment expenditures each year.

Recalling the high interest rates of recent years, Morton said the corporate income tax favors debt over equity financing, and that business firms consequently have been forced or have preferred to rely more heavily on debt. This trend toward greater external debt financing resulted in corporate illiquidity and excessive debt-equity ratios. Further, the quality of debt and interest coverage has deteriorated making it difficult to raise additional debt or equity capital.

Moreover, to the extent that inflation and high debt-equity ratios have disrupted the equity markets, the capacity of the capital market to absorb new issues has been reduced. This has compounded the difficulty of many firms to obtain external financing.

Raised the cost

All of these financing problems have increased the difficulty of the cost of obtaining capital funds. Consequently, investment projects which might otherwise have been undertaken have not been implemented, and this has contributed to the problem of unsatisfied capital needs.

"It is imperative that we avoid greater reliance on external financing of investment and the possibility of higher interest rates. Such a situation might very well lead to less investment over the longer term," in Morton's view.

Because it is in the national interest to encourage research and development to foster innovation and new technology that lowers production costs, he called on the Ways and Means Committee to consider some form of tax incentives for these activities.

"While our principal focus should be on long-term capital needs," he commented, "we cannot neglect the current economic situation. The manner in which we handle our economic recovery and the success we achieve in this regard will determine in large measure our ability to assure adequate long-term capital formation to increase productivity and provide jobs for millions of additional workers. If we can maintain a reasonable pace of growth, we should be able to avoid a repetition of the adverse economic conditions — unemployment, inflation and underutilized capacity — which have so recently plagued us.

"If we delay, it will be too late, since it takes years to plan and implement an investment expansion program designed to provide an adequate base for a sound economy five to ten years from now.

"Economic instability—rapid swings from inflation to recession and back again—weakens both the incentive and ability to save and invest. We must try to avoid this type of situation. If the current recovery accelerates too rapidly and double-digit inflation returns, we can expect once again to experience the difficulties of the recent past."

Morton said the present danger is that expansive policies applied too strongly will aggravate inflationary pressures. He added that conditions produced by rapid inflation lead the Government to adopt restrictive policies to bring inflation under control. Restrictive policies in turn, he said, result in a credit crunch that constrains business expenditures for plant and equipment, exerts additional upward pressure on prices, and finally causes a recession such as has recently occurred.

Energy Management Digest

SOLAR SURGE SEEN...Some 200 experimental houses in the U.S. now have solar heating/cooling systems or are being built with them. They are breaking the ground that will eventually result in 2½ million homes being so-equipped by 1985, according to a Frost & Sullivan market research report. The domestic solar heating and cooling industry will have sales of $10 billion by 1985, the report estimates. The 263-page study—which also covers solar thermal conversion, windpower, bioconversion, ocean thermal gradient conversion, and photovoltaic electric power—forecasts that from a few million dollars in 1973, the federal budget alone for solar energy R&D will tally $1 billion over the next five years.

DOUBLE SAVINGS...Three Commerce District Offices found a way to conserve energy while promoting energy conservation. The New York, Newark and Hartford District Offices used the facilities of MRC-TV, a closed circuit television network, last month to produce a two-hour show in which Robert E. Shepherd, Deputy Director of Commerce's Office of Energy Programs, answered 22 questions from top-ranking business executives in the network's ten studios in the tri-state area. In addition to providing energy-saving data, the show, which originated in the World Trade Center in New York City, saved the participants fuel and time that would have been expended driving to a central location.

PROPANE OVERCHARGES...Even before the Arab oil embargo, propane prices, like those of most fuels, began to rise. Propane (bottled gas) is commonly used to heat homes and farm buildings and to dry farm crops. Due to natural gas curtailments, many industries also use propane as a substitute fuel. In February 1974, the Federal Energy Administration started to investigate the causes of certain price distortions within propane markets. Audits of 50 of the first 60 cases investigated revealed violations totaling nearly $30 million. Whenever possible, FEA directs refunds to overcharged customers.

AMPLE DRILLING VESSELS...The October total of 303 offshore drilling vessels available worldwide was 17 percent more than a year earlier. Of the total, 282 were working, 16 idle, and 5 enroute to drilling locations. Another 150 are under construction, 46 of them in the United States. With new production and idle ships, the supply of offshore drilling vessels should be adequate for the immediate future.

ABNORMAL OCCURRENCES...The Nuclear Regulatory Commission has submitted its first report on "abnormal occurrences" at nuclear power facilities. The Energy Reorganization Act of 1974, which requires the report, defines an abnormal occurrence as "an unscheduled incident or event which the Commission determines is significant from the standpoint of public health or safety." None of the occurrences in the first report, which covers the first six months of 1975, had any actual adverse effect on public health or safety. The report includes a discussion of corrective measures taken to prevent repetitions. Subsequent reports will be made quarterly. A computer printout of all such occurrences is sent to 122 public document rooms throughout the country every two weeks. Copies of the report to Congress can also be reviewed in these locations, or can be ordered from the National Technical Information Service, Springfield, Va., 22161, for $3.75 per copy. Request NUREG-75/090.

ENERGY SAVERS...FEA offers the following energy-saving tips: Always purchase slightly less than a full tank of gas to prevent overflows that waste fuel....For multiple light fixtures, remove one bulb and replace it with a burned-out bulb for safety; together with using lower-wattage bulbs, this can save up to 4 percent on electric bills....Once a month, flush the sediment out of the hot water heater by draining several buckets from the faucet near the bottom of the tank. If allowed to build up, sediment will lower the efficiency of water heaters.

BELT-TIGHTENING...While the average coin-operated laundry and dry cleaner's weekly intake of $920 is running about $95 higher than the 1974 figure, their average net weekly profit is down about 18 percent to $148, largely due to higher utility and water costs. To offset rising energy costs, coin-op owners are installing heat exchange equipment, insulating water lines, lowering wash water temperature, converting to cold water rinses, cutting drying time, reducing attended hours, lowering lighting and reducing store hours.

Magellan Strait Oil Spill May Alter World Transport Methods, Locating Of Ports

In a remote corner of the world, Commerce scientists are conducting a study that could have wide-ranging impact on the way oil is transported across the world's oceans.

On August 9, 1974, the supertanker *Metula* ran aground in the Strait of Magellan, and spilled more than 50,000 tons of oil into the cold waters between Patagonia and Tierra del Fuego. It was a spill whose effects may be visible for years. It was also the beginning of a study that may have even farther-reaching effects on how and where oil is transported in the future and what is done when oil spills occur.

An international group of environmental researchers and managers met in Boulder, Colorado, recently to discuss the effects and lessons of the spill and to consider its long-term effects.

The *Metula* spill was second only to the one that resulted when the Torrey Canyon lost more than twice as much oil in the waters off England in 1967. The narrowness of the Magellan Strait, powerful tides, currents up to 10 knots, winds commonly reaching 70 miles per hour, cliffs 40 feet high that made access to the beach difficult at best, and the sheer mass of the spill militated against the usual cleanup procedures. So it was left to run its messy course.

An estimated 40,000 tons of oil were deposited along some 75 miles of shoreline and in estuaries. Up to 10,000 tons of oil settled on some mile-long sections of the beach. Within ten days, the oil spread over nearly 1,000 square miles.

Reconnaissance in force

In January of this year, a team of U.S. scientists from Commerce's National Oceanic and Atmospheric Administration, the Environmental Protection Agency, and the Coast Guard traveled to Chile to make a reconnaissance of the oil spill and its effects. At the Boulder meeting, the principal investigators presented their findings to representatives from the United Nations, the oil industry, and other U.S. research organizations.

The team concluded from its reconnaissance and data analysis that "essentially all" of the oil that had floated onto the shore was still there, and that the biological impact of the spill was severe. Local fisheries had become contaminated. The wind had carried oil inland, pelting shrubs until they were black on the seaward side. In some places, the oil-soaked soil had formed a hard, asphaltic crust. In others, oil would bleed into footprints, forming a chain of pools.

"Some of the life was coming back," reported Charles C. Gunnerson, director of NOAA's Marine Ecosystems Analysis Program. "Green shoots were just beginning to reappear in the marsh plants." However, these signs may not be as promising as they seem. The first year after a Canadian oil spill plants reappeared, but by the second summer weathering of oil-soaked soil had produced an asphaltic layer that sprouting plants could not penetrate.

Much is yet to be learned about the long-term effects of the *Metula* spill, but a number of lessons are already obvious. The biggest lessons, according to Dr. Roy C. Hann, Jr., of Texas A & M University, are that ships are vulnerable, spills can happen, and when they do, the magnitude of the problem is enormous. In planning and selecting sites for future superports to accommodate oil tankers, he continues, "we have to look at the area's other resources and consider the possibility and cost of a spill there."

Another lesson is that time is crucial. "We have seen that once the oil gets to shore, it's too late for effective countermeasures," says Gunnerson. Pushed along by the high winds in the Strait of Magellan, most of the oil from the *Metula* was driven ashore within one or two hours. Part of the problem was the remoteness of the area. "Everything is harder to do and takes longer in a remote area like Tierra del Fuego," says Hann, "but with a spill of this size, we could have the same type of logistical problems in the United States as in Chile."

The group suggests that keeping superports offshore would help provide reaction time.

The *Metula* spill also demonstrated the inadequacy of present cleanup preparations. Most spill control methods are aimed at small spills, says Hann. There is a need for more scientific information about spills and their behavior, better spill control methods, and trained cleanup crews that can be rapidly mobilized.

"Tanker operations in confined waters such as the Strait of Magellan require massive contingency plans, support, and material to be maintained on constant alert," adds Gunnerson.

All the investigators at the Boulder meeting agreed that a long-term study of the spill area would be invaluable, especially since the Magellan Strait is geographically similar to others where oil may be transported, such as the Strait of Juan de Fuca and Georgia Strait, which separate Vancouver Island from mainland North America.

A thorough study of the *Metula* spill should take at least 10 years, the Boulder group agreed. It would include physical oceanography; geological research to tell how oil moves through sand; the effects of seasonal and daily heating; biological and microbiological research to identify the effects of oil on organisms and of organisms on the oil; and air-sea interactions.

The grounding of the *Metula* may become more than the second-largest oil spill, says Gunnerson: "It is a remarkable event which has since become an enormous experiment—what happens to an oil spill when a supertanker runs aground?" The next ten years could tell.

New Directory Lists Air Taxi Charters, Rentals

A new publication listing air taxi charters and rentals in the United States, Canada, Mexico, Guatemala, the Caribbean, American Samoa and Guam has just been released. Designed for people who travel to places not served by scheduled airlines, the directory lists more than 4,000 government-regulated and certificated air taxi operators.

Aircraft used by these operators range from small, single-engine propeller planes to multi-engine jets. The air taxi operators are listed geographically, for ease in locating a service at an unfamiliar destination. Types of aircraft and rates are given in almost all cases.

To order a copy of *The Air Taxi Charter & Rental Directory of North America*, send a check for $10 to: ACTION, Suite 201, 400 Lathrop Ave., River Forest, Ill. 60305.

Industry Highlights

Health Care Industry Automates; Machine Tools Hold World Position

(Industry Highlights is prepared by the Office of Business Research and Analysis, Bureau of Domestic Commerce.)

Computerization is making rapid strides in one of the nation's fastest growing industries: health care. American hospitals are estimated to spend about 30 percent of their budgets, or some $8 billion, on data collection, recordkeeping, and other processing and communication of information each year. As much as half of this spending is for functions which could probably be automated, according to the Bureau of Domestic Commerce.

Mounting labor costs, need for better administration and management, and growing regulation and reporting requirements are leading more hospitals to automate their information functions. One study found that more than 60 percent of the hospitals polled had already adopted some form of computerization.

A leading market research firm estimates that sales of computers for use in hospitals reached $156 million in 1974 and is likely to total $380 million by 1979.

Earlier slip from first place

During the economic recession of 1970-71 the United States slipped from the position as world leader in the manufacture of machine tools which it had held since the Second World War to third place among the nations of the world.

During the latest recession, however, this country remained solidly in second place, only narrowly behind first-place West Germany, $2.27 billion to $2.1 billion in 1974. The Soviet Union was third with an estimated $1.8 billion, followed by Japan with $1.65 billion.

The U.S. was also second to West Germany in machine tool exports, but the margin was a whopping $1.6 billion to $411 million. Switzerland was third with $402 million.

The Soviet Union was the top machine tool importer, with an estimated $368 million. Next came Poland, $306 million; France, $294 million; and the U.S., $271 million.

Cleanup picks up steam

Output in the air pollution control industry didn't miss a beat during the economic slowdown, and a doubling of the backlog indicates a continuing uptrend in shipments of selected industrial air pollution control items.

Between 1973 and 1974 the backlog of orders jumped from $286 million to $576 million. In the same period, new orders rose by 67%, from $383 million to $640 million.

Steam electric power plants were the biggest customers, taking 35 percent of total 1974 shipments of $336 million. Next came steel mills and foundries, 13 percent; cement manufacturing, 9 percent; and pulp and paper mills, 8 percent.

Retrofitting of existing plants accounted for a major part of the large increase in orders.

So what's new?

A recent report by the National Association of Convenience Stores confirms what most people suspected all along: convenience stores are a major target of criminals.

A survey of seven convenience store chains operating 10,516 stores in Arizona, Texas, Georgia and Florida revealed 10,274 robberies in 1974, an average of .98 per store for the year.

Robbery losses for the seven firms totaled $1.85 million, with an average loss of $175 per robbery. Stores in cities with populations above 650,000 were robbed most frequently.

Based on statistics for the first six months of 1975, these seven chains can expect a jump of 15 percent to about 11,786 robberies for the full year.

Report Stresses Role Of Timely, Accurate Data In Decisionmaking

Having trouble making quick decisions? The role of accurate and timely information in making business decisions is the subject of a report just published by Commerce's Bureau of the Census.

The report contains presentations by 11 experts in the information and data processing fields at a 1974 seminar conducted at the University of Southern California School of Public Administration.

Included are presentations by federal representatives on statistical activities related to measuring economic and social health and welfare, on legal protection of privacy, and on efforts to make available useful and reliable information. Other subjects covered: the role of private enterprise in developing indicators, their use by corporate management, and the commercial use of census information.

Copies of *The Census Bureau—A Numerator and Denominator for Measuring Change*, Technical Paper 37, may be obtained for $4.25 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or from Commerce District Offices.

Electric Utility Industry To Get Research Boost

The nation's electric utilities are getting a research boost from the Federal Government to help insure their efficient use of energy.

The Commerce Department's National Bureau of Standards and the Electric Power Research Institute have signed a memorandum of understanding aimed at helping the U.S. electric utility industry meet the nation's energy needs in an environmentally and economically acceptable manner.

The agreement establishes the basic guidelines under which measurement technology information on equipment and systems related to the generation, transmission, distribution and use of electric power can be shared by NBS and EPRI.

The agreement will enable NBS to do measurement-related research at both its own facilities and EPRI experimental project locations. The agreement also provides for EPRI-sponsored personnel to perform research at NBS under the Research Associate Program.

Areas of possible research include:

- Measurement of electrical and electromagnetic quantities;
- Measurement of physical properties and behavior of materials and devices used or having potential for use in electrical energy production, conversion, control, transmission and distribution equipment and systems;
- Measurements required for evaluation and control of the performance, safety, environmental impact, efficiency, reliability and security of systems and equipment;
- The application of mathematical and computer science and technology to the design, operation and evaluation of electric power systems, and
- Techniques for industrial, residential and community energy conservation.

EPRI is a nonprofit organization funded by the nation's electric utility industry—private, public and cooperative—to develop advanced technology.

NBS develops, improves and maintains standards of measurement, and disseminates information to assure their effective application of related measurement technology. The agency is authorized to work for private orgnaizations and to charge for its services within the mission defined by its charter.

UNDER CONSTRUCTION—*This house, now being built in Portland, Ore., will serve as a research model to gather data on energy and cost saving features, especially the feasibility of using solar energy as a supplemental form of heating, over the next three years.*

'Affordable' Home Incorporates Full Range Of Energy-Saving Features

A specially-built home in Portland, Oregon, designed to be affordable by the average American family, will incorporate practically the full range of energy, land and resource conservation techniques.

The home, which will be part of the Oregon Museum of Science and Industry's Energy Center, will be called TERA—Total Energy Resource Application. It will serve as a research model for three years to gather data on the energy and cost savings of its design, particularly the feasibility of solar energy as a supplement to existing heat sources.

The project was originally conceived by Pacific Power & Light Co., as part of the utility's continuing concern for energy conservation. As a major supplier of electric energy to the Northwest, PP&L wanted to bring home to customers the fact that if energy supplies are going to be sufficient to meet future needs, the public will have to revise its energy consumption habits.

Coupled with this change in attitude, PP&L also recognized that alternative forms of energy such as solar will have to come into play to help conserve and supplement non-renewable natural resources.

PP&L sought the help of Skidmore Owings & Merrill, an architectural/engineering/planning firm, in designing an experimental residence for evaluating a combination of materials, components, subsystems and complete systems offering the most economically desirable mixture of existing energy sources—all with today's technology.

A cooperative venture between the three main participants, as well as other firms, the home was constructed and equipped at virtually no dollar expenditure. Materials and equipment were contributed by manufacturers.

Other participants in the project included Portland Home Builders' Assn., General Electric, Honeywell, Louisiana-Pacific, Georgia Pacific, Producers Inc., Western Wood Products, and Dow Chemical/AMSPEC.

TERA One, which uses the latest energy-saving technology, isn't a farout concept. "We're building a home that can be sold to the average homeowner," explains Reis Leming, manager of PP&L's customer and technical services department, "with technology that people can afford.

"One of our main objectives in building this home," says Leming, "is to be able to tell builders, architects and the general public what is available through design and energy-efficient equipment. We believe this home will accomplish just that.

"I don't know of any research project anywhere in the nation that combines all of the concepts of efficient energy use that this one does," says Leming. "There are homes researching solar energy use but none that has been designed to the extent that TERA One has."

Home prices escalating

Many single-family homes are becoming priced beyond the means of the average American family, according to Leming. "At the rate homes are escalating in cost, people are finding it difficult to purchase homes as they knew them five years ago. Today in some parts of the country, after a family buys a home, there's a question of whether they can afford to live in it . . . because the energy cost has almost exceeded the mortgage payment," he says.

Skidmore Owings & Merrill estimates that a home similar to TERA One could be built for approximately $35,000 with all the energy saving features, including solar collection units.

"If we're going to maintain the single family home as a viable way of housing people, we've got to look at what people really need," explains Perry Gujral, chief engineer for Skidmore Owings & Merrill, the home's designer.

"Space is a resource like energy. TERA One is designed with this idea in mind but it still has the amenities that Americans have come to know in housing.

"We've designed the house to accommodate a family of four," says Gujral. The home is approximately 950 square feet, on multi-level, with three separate sleeping areas, a living/family room, kitchen/dining room, and a bath.

While providing for a full range of family living, the intent is to provide for these activities in such a way as to minimize space and energy requirements, yet still maintain a comfortable life-style.

Every available energy-saving system was considered in the home's design. TERA One will be equipped with a solar collector/reflector to aid in home heating and water heating, and placed to take maximum advantage of solar availability.

The walls on the north side of the house will be 50 percent below the earth. This helps prevent heat loss during winter and provides natural cooling in the summer. In addition TERA One is to be heavily insulated.

All appliances were chosen on the basis of the energy efficiency ratings given by the Association of Home Appliance Manufacturers. The heating system which will supplement the solar collector features a heat pump, which is the most economical

device presently available for converting electricity into heat.

TERA One will incorporate a greenhouse/wall system on the south side that will add warmth to the sun's rays in winter and act as a cooling source in summer.

Each room is designed to provide the maximum possible amount of natural light, to cut down on the use of electricity for lighting.

Even nature has been recruited into the home's conservation plan. Deciduous trees will be planted on the south side of the homesite—leaves will help shade the house for cooling in summer and the bare branches will allow full exposure to the winter sun.

"We don't know at this time how much of the total space and water heating can be derived from solar," says Gujral. "That's what the project is all about—to gather information that is not now available in the Northwest."

Gujral stresses that "we're not trying to replace the use of electricity but only attempting to blend it with other natural resources."

Equipment in the home has been designed so that when solar heat is not sufficient to keep the inside temperature at a comfortable level, mechanical installations will take over.

Fifty percent solar is goal

"Our goal is to try to realize at least 50 percent of the home's space and water heating from the sun," Gujral explains.

Almost 85 percent of all electricity used by residential customers in Oregon is for space and water heating. "Both customers and electric utilities will benefit in putting the sun to work and using less kilowats generated by power plants," Gujral declares.

The home will be instrumented and monitored to measure results of the project.

Although no family will be living in the house, daily activities of a family, such as cooking, TV watching, and clothes washing and drying, will be simulated by computer programming that opens and closes doors and drapes, sets back thermostats and turns on appliances.

As technology in the energy conservation field is changing rapidly, the equipment in TERA One will be kept up to date and new equipment will be installed as it is developed.

One unusual data-gathering aspect will be the collection of information on energy necessary to manufacture and transport the materials to the site, which will complete the picture of total energy implications of TERA One. An energy accounting of the construction process will also be done for comparison to the energy utilized in the residence during operation.

Sensor To Monitor Radiation Hazard To Commercial Aircraft

A new sensor package designed to monitor nearly all the charged particles from the sun affecting life on earth will be carried into space by the environmental satellite TIROS-N when it is launched in 1978. For the first time, the new instruments would monitor solar flare particles capable of producing dangerous radiation levels at altitudes of high-flying commercial aircraft.

The package, a space environment monitor, will be designed and built for Commerce's National Oceanic and Atmospheric Administration under a $5.6 million contract awarded to Aeroneutronic Ford of Palo Alto, Calif.

The monitor will make constant measurements of energetic solar particles for scientists at NOAA's Space Environment Laboratory, one of several environmental research laboratories in Boulder, Colorado. It will be designed, built, tested, and calibrated by Aeronautic Ford's Western Development Laboratories Division.

TIROS-N, a joint effort of NOAA and the National Aeronautics and Space Administration (NASA), will be the first in the latest generation of a series of polar-orbiting satellites to be operated by the National Environmental Satellite Service (NESS). It will be primarily a weather satellite, and most of its instruments will scan the earth. The space environment monitor will be the only set of sensors facing away from the earth, watching for invading particles that may affect conditions below.

"The total system will provide a major improvement in our capability of monitoring environmental phenomena," says Dr. George H. Ludwig, Director of NESS' Office of Operations.

Monitoring invading particles from the sun is of major importance because astronauts in space, as well as passengers in high-altitude aircraft, NOAA explains, occasionally could be exposed to hazardous levels of radiation. NOAA adds that evidence has been accumulating to suggest that changes in the space environment may affect the earth's weather.

The earth is immersed in a stream of charged particles and imbedded magnetic fields continually emitted by the sun. This flow, known as the solar wind, beats constantly against the earth's magnetosphere, flattening it on the sunward side and hammering it into a long tail on the night side. From time to time, solar flares add their own touches, sending bursts of energetic protons, X-radiation, radio waves, and ionized gases earthward, disturbing the Van Allen radiation belts, stimulating auroral displays, setting off magnetic storms, and posing a radiation hazard to life and equipment outside the shield of the atmosphere.

These magnetic storms disrupt radio communications and induce ground currents in long electrical transmission and communication lines, frequently disrupting service.

The monitor, jointly funded by NASA and NESS, will include sensors to measure protons and electrons at various energies over a wide range (300 to more than one billion electron volts).

At the low-energy end of this scale, a total energy detector will measure the total energy deposition into the upper atmosphere. Absorption of these particles by the atmosphere constitutes a major heat input at high geographic latitudes and is thought to have an effect on weather in the lower atmosphere.

At the high-energy end of the scale, instruments will monitor solar flare particles.

In the middle-energy range, instruments will continue the work of the present NOAA satellite series in monitoring solar flare particles impacting the polar atmosphere.

All these sensors will be packed into a set of small, plain, metal boxes aboard TIROS-N. The largest of these is about the size of a shoebox.

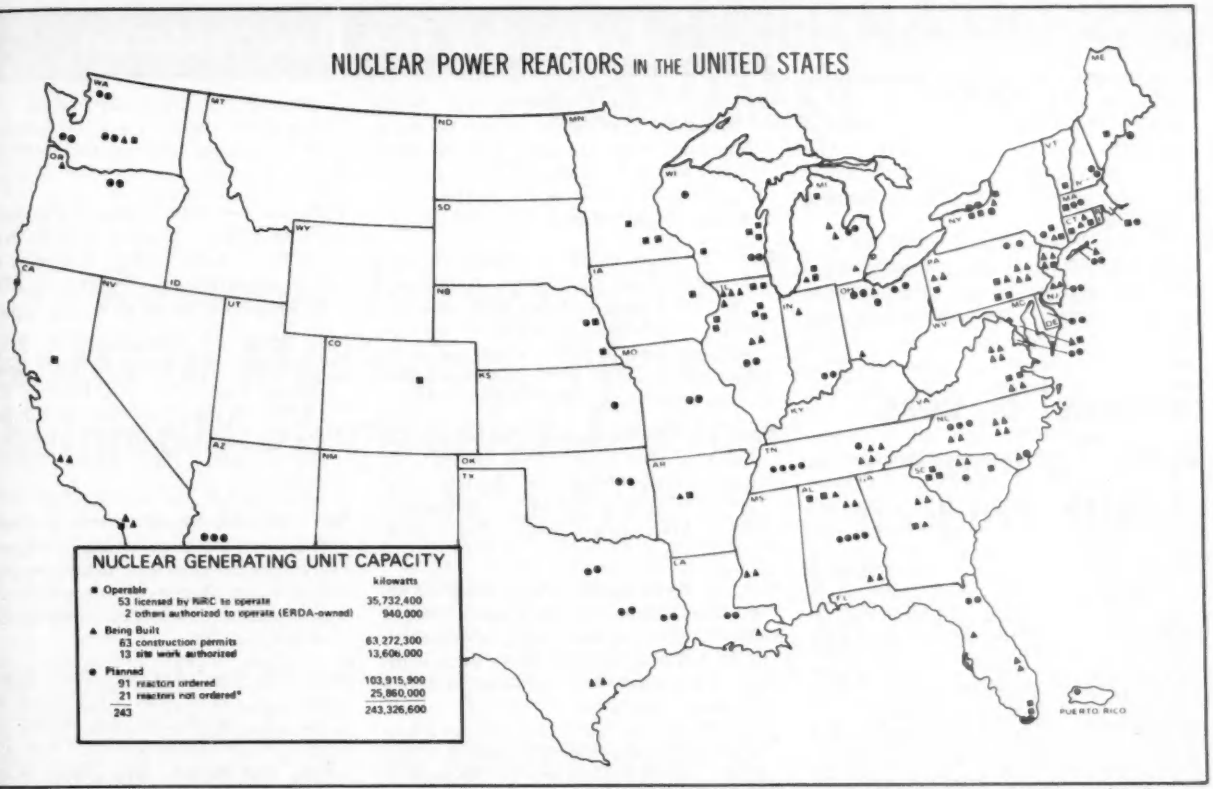
Study Compares Economics Of Waste Disposal Methods

Resource recovery, as an approach to solid waste management, can be competitive with the conventional techniques of incineration and sanitary landfill, according to a technology assessment study prepared by General Electric Company's R & D center. The previously unpublicized study analyzes all methods in use or under consideration for processing and disposing of solid wastes.

The study shows that fuel recovery systems are the most economical after close-in sanitary landfill, followed by materials recovery, pyrolysis and more remote landfill.

Composting and biochemical processes are also viable but more expensive. Composting is seen as a solution for closing down sub-standard landfill areas. Also under development are techniques to produce methane gas of pipeline quality through use of anerobic digestion of solid wastes. Commercial development of this process is seen as a decade away.

For further information about the 350-page report, Reference Report #GE101, contact Customer Services, Frost & Sullivan, Inc., 106 Fulton St., New York 10038 (212-233-1080).



WHERE IT'S AT—*Map shows all civilian nuclear power plants for which reactor suppliers and sites had been selected by the Energy Research and Development Administration as of June 20. Due to space limitations, symbols do not reflect precise locations.*

Joint Program Speeds Development Of Standards For Nuclear Industry

The time needed to develop a preliminary draft of a nuclear standard may be reduced from several years to a few months as the result of a joint project of the Nuclear Regulatory Commission and Commerce's National Bureau of Standards.

More than 190 standards are now referenced in NRC regulations and regulatory guides. NRC uses regulatory guides to provide acceptable, but not mandatory, methods of complying with its regulations. In addition, the guides tell industry what to expect in a licensing review and indicate specific information that should be included in applications.

The Bureau of Standards' Experimental Technology Incentives Program (ETIP) project addressed the NRC's need for efficient and expeditious development of nuclear stadards. The Nuclear Standards Management Board of the American National Standards Institute managed the experiment, and Battelle-Pacific Northwest Laboratories provided technical and engineering support.

Specifically, ETIP and NRC are seeking to accelerate the development of three draft nuclear standards: the certification of nuclear materials; the discharge of thermal effluents into surface waters; and guidelines for combining natural phenomena and man-made hazards at nuclear power reactor sites.

The objective is to determine if any or all of the following four changes in the method of developing nuclear standards accelerates their development.

Nuclear experts participate

First, working groups of nuclear experts are assembled for periods up to two weeks to work full time on developing each standard. Where necessary, members of these panels are paid for their time or their firms are reimbursed for the time involved. This assures that ETIP and NRC receive full attention of these knowledgeable individuals.

Second, full-time chairmen are provided. Thus each working group is managed by an experienced chairman concentrating on producing the required standard.

Third, the chairmen and working groups are provided with consultant services for collection and correlation of basic data required by the group developing the standard.

A fourth change introduced in the standards development procedure is the use of clerical and technical editing in order to accelerate the process of preparing initial and revised drafts of standards and supporting documents.

NRC will award a contract for formal evaluation of the experiment. The plan for evaluation was, like the experiment itself, jointly developed by NRC and ETIP and will be funded by ETIP.

ETIP was begun in fiscal 1973 as a means of stimulating private and government investment in research and development. By the end of fiscal 1976, will have committed $10 million to cooperative projects with other government agencies and to policy studies.

Color's Effect On Consumer Subject Of New Booklet

A new consumer information booklet dealing with the most advantageous use of color has just been published by Commerce's National Bureau of Standards.

The 32-page illustrated booklet, entitled *Color in Our Daily Lives*, takes the reader step by step through the fundamental principles of color and light, families of color, influence of colors on other

colors, and color harmony. It is booklet No. 6 in the NBS Consumer Information Series.

The booklet discusses practical applications of color in sections on "Your personal color plan," "Your color environment," "Color plans for the home," "Use color to dramatize or to hide," "Color and illumination," and "Experimenting with color."

The booklet is available from the U.S. Government Printing Office for $1.70 per copy. When ordering use Superintendent of Documents (SD) catalog number C13.53.6.

Federal Buyers Aim To Improve Health Products

The Federal Government has begun a novel series of procurement experiments designed to encourage improvement in products that affect the delivery of health care.

Hopefully, the experiments will lead to improved governmental purchasing policies and will provide an improved market environment for private industry to introduce new health care products and systems.

These procurement experiments are being conducted jointly by the Veterans Administration and the Experimental Technology Incentives Program of Commerce's National Bureau of Standards.

VA provides incentive

The experiments will employ the VA's substantial purchasing power as an incentive for industry to invest more heavily in R&D and new product development. After demonstrating a product's merit on government market, industry would then transfer the innovation into the private sector.

Health care delivery has become America's largest service industry, with estimated annual expenditures in this industry exceeding $98 billion. Hospitals account for almost 40 percent of the total. Within this industry the VA represents the largest single medical care system in the United States. Its Supply Service includes a marketing center, supply depots and 168 supply services in VA field stations. This supply network supports 250 VA installations and 400 other government installations.

For additional information about this program please contact Frank Leach, Special Projects Officer, Veterans Administration, Washington, D.C. 20420 or Joseph Berke, Deputy Chief, Procurement Policy Area, ETIP, National Bureau of Standards, Washington, D.C. 20234.

Calendar For Businessmen

Nov. 17-19—New Carrollton, Md.—Minicomputers: The Applications Explosion, Sheraton Inn-Northeast. For information, American Institute of Industrial Engineers, P.O. Box 25116, Los Angeles, Calif. 90025 (213-826-7572).

Nov. 17-20—Chicago — Solar Energy Technology & Opportunities seminar, Sheraton-Chicago Hotel. Sponsor: National Technical Information Service. For information: Ms. Heidi Kaplan, New York Mgt. Ctr., 360 Lexington Ave., New York 10017 (212-953-7262).

Nov. 17-21—Milwaukee—Managing for Quality, Milwaukee River Hilton. For information, American Society For Quality Control, 161 West Milwaukee Ave., Milwaukee, Wisc. 53203 (414-272-8575).

Nov. 18-20—Chicago—7th Annual Automotive Parts & Accessories Assn. Show, McCormick Place. For information, APAA Show, Hall-Erickson, Inc., Managing Directors, 7237-39 Lake St., River Forest, Ill. 60305.

Nov. 19—New York—Minority Business Export-Import Conference, ITT World Headquarters, 437 Madison Ave. Sponsors: Minority Business Council, Small Business Admin., Minority Business Information Institute and Commerce District Office (212-264-0634).

Nov. 19—New York—Input/Output Conference, McGraw-Hill Bldg. Sponsors: Institute for Interindustry Data & Commerce New York District Office. For information, IID, 1270 Ave. of the Americas, New York (212-265-2666) or Commerce District Office (212-264-0611).

Nov. 20 — Milwaukee — Productivity Measurement Conference, Milwaukee Area Technical College, 8:30 a.m.-noon. For information, Commerce District Office (414-224-3473).

Nov. 20-21 — Philadelphia — Practical Operating Budgeting & Cost Analysis, Drexel Univ. For information, Director, Continuing Professional Education, Drexel Univ., 32nd & Chestnut Sts., Philadelphia, Pa. 19104 (215-895-2154).

Nov. 24—Atlanta—Productivity Seminar, Sheraton - Biltmore Hotel. Sponsors: Georgia Business & Industry Assn. and Commerce Atlanta District Office. For information, Commerce District Office (404-526-6000).

Dec. 8-9—Los Angeles—Risk Management of Oil & Gas Exploration seminar, Los Angeles Biltmore Hotel. Sponsor: The Wharton School, Univ. of Pa. For information, Ms. Heidi Kaplan, Dept. 14NR, New York Mgt. Ctr., 360 Lexington Ave., New York 10017 (212-953-7262).

Dec. 8-11—Los Angeles—Solar Energy seminar, Los Angeles Biltmore Hotel. Sponsor: Commerce's NTIS. For information, Ms. Heidi Kaplan, Dept. 14NR, New York Mgt. Ctr., 360 Lexington Ave., New York 10017 (212-953-7262).

$363 Million Is Being Distributed For Jobs In Unemployment Areas

More than $363 million is being distributed under the Federal Job Opportunities Program to help create some 99,000 jobs for the unemployed. The funds are being made available to 18 federal agencies and 8 multistate regional commissions for projects in areas with unusually high unemployment.

This is the second and final distribution of funds from the $500 million authorized by Congress for the program. The previous allocation, which provided for 27,000 jobs, was in June.

Since the goal of the program is to put the unemployed to work on useful public projects in their home communities, projects of a labor-intensive nature are receiving special consideration, according to Wilmer D. Mizell, Assistant Secretary of Commerce for Economic Development.

The federal agencies receiving the funds are: The Departments of Agriculture, Commerce, Defense, and Health, Education and Welfare; Housing and Urban Development, Interior, Justice, Labor and Transportation; the American Revolution Bicentennial Administration; the Community Services Administration; the Environmental Protection Agency; the Energy Research and Development Administration; the Federal Energy Administration; the National Aeronautics and Space Administration; the National Endowment for the Arts; the Tennessee Valley Authority and the Veterans Administration.

The regional commissions cover Appalachia, the Coastal Plains, the Four Corners (Ariz., Colo., N.M., Utah), New England, the Ozarks, the Old West, the Pacific Northwest and the Upper Great Lakes.

INTERNATIONAL COMMERCE REPORT

U.S., Romania Pursue Joint Efforts In Machinery, Metals, Chemicals, Electronics, Energy

Further improvement and development of commercial and economic relations between the U.S. and Romania was the subject of discussions in Washington last week at the second session of the Joint American-Romanian Economic Commission.

The commission noted progress in bilateral economic, industrial and technical cooperation and numerous additional opportunities for such cooperation, particularly in the fields of machine building, electronics, metallurgy, energy, chemistry, and agriculture.

The meetings were held at the Commerce Department. They were chaired by Secretary of Commerce Rogers C. B. Morton for the United States and Vice Prime Minister Ion Patan, Minister of Foreign Trade and International Economic Cooperation for Romania.

Patan and members of the Romanian delegation held discussions and negotiations with industrial, commercial, banking and financial representatives in New York, Chicago, Seattle, San Francisco, and Los Angeles. Patan met in Washington with President Ford and other officials.

Romania is looking for Western equipment and cooperation for numerous projects to be undertaken during its 1976-1980 five-year plan. Opportunities are particularly favorable for the export of machine tools, chemical and petrochemical processing equipment, industrial process and control instrumentation, non-ferrous metal processing equipment, and construction and mining equipment. In the agricultural field, there will be continued emphasis on mechanization, including modern handling and processing equipment, and investment possibilities for irrigation, land reclamation and flood control projects. Cooperative U.S.-Romanian ventures in third countries are also being sought.

U.S.-Romanian trade since 1970 has shown a steady increase through 1974, with U.S. exports amounting to $277 million in 1974, four times the level of 1970. Imports from Romania of $131 million were over nine times the 1970 total. U.S. shipments of primary commodities during 1974 consisted mainly of agricultural goods, while the bulk of Romanian exports consisted of mineral fuels, lubricants, and related materials.

EXPLORING U.S.-ROMANIAN TRADE EXPANSION—*Leaders in the discussions at the second session of the Joint American-Romanian Economic Commission were (from left) Corneliu Bogdan, Romanian Ambassador to the U.S.; Ion Patan, Romanian Vice Premier; Commerce Secretary Morton, and Harry G. Barnes, U.S. Ambassador to Romania.*

Other meeting subjects

The commission, which was established in December 1973 by the Presidents of the U.S. and Romania, also considered establishment of a commercial office in Romania for U.S. companies; market access; financial matters, and other areas concerned with commercial and economic cooperation between enterprises in the two countries.

U.S. commission members taking part in the talks included Ambassador Harry G. Barnes; Gerald Parsky, Assistant Secretary of the Treasury for Trade, Energy, and Financial Resources Policy Coordination; John A. Armitage, Deputy Assistant Secretary of State for European Affairs; Arthur T. Downey, Deputy Assistant Secretary of Commerce for East-West Trade, and George Aldrich, Deputy Legal Adviser for the State Department.

Romanian commission members participating in the Nov. 3-4 session included Vasile Voloseniuc, Chairman and President of the Romanian Bank of Foreign Trade, and Ambassador to the U.S. Corneliu Bogdan.

Ambassador Frederick B. Dent, the President's Special Trade Representative, reported to the commission on multilateral trade negotiations. Dent took part in the first plenary sessions of the U.S.-Romanian commission in Bucharest in

April 1974 when he was Secretary of Commerce.

Secretary Morton commented in connection with the meeting, "We expect a strong growth in our trade with Romania now that Congress has approved the U.S.-Romanian trade agreement which confers Most-Favored-Nation status to Romania."

He added, "It is hoped that MFN will help push this figure towards the bilateral trade target of $1 billion by 1980 set by the first session of the Economic Commission in April 1974."

Eximbank Revises Its Discount Loan Plan

A major revision of its discount loan program was announced last month by the Export-Import Bank. The program encourages banks to finance export sales by allowing liquidity for the term of the financing. The changes, effective Nov. 1, are:

Eximbank will no longer discount floating rate obligations. In the future discount loans may be used only to support fixed rate export loans.

In addition, a one-time, front-end commitment fee equal to one-quarter of one percent of the amount of the discount loan requested will be charged. The fee will be payable upon issuance of Eximbank's advance commitment.

A minimum discount loan rate that will permit the financing to be competitive while still covering the cost of money to Eximbank will be fixed by Eximbank's Board of Directors and reviewed periodically. The interest rate Eximbank will charge a commercial bank on a given transaction will be one percent below the yield to the commercial bank on its export loan, but not lower than Eximbank's minimum discount loan rate in effect at the time Eximbank issues its advance commitment for that loan. The minimum discount loan rate that became effective on Nov. 1 is 8 percent.

Other changes that were announced:

Eximbank will no longer permit redrawing on the same discount loan commitment.

Only 50 percent of the financed portion of an export sale will be eligible for discount loans on transactions which appear suitable for Eximbank's direct loans.

Advance commitments will be cancelled 12 months after the estimated final shipment date unless a commercial bank informs Eximbank that shipment has taken place and requests an extension of the final shipment date. These advance commitments will normally not be issued for transactions where shipment begins later than 12 months after authorization or where final shipment extends more than 24 months after authorization.

Official Trade Briefs

This article is another in a series of reports that describe actions affecting world trade, as compiled by the Legislative and Tariff Policy Division of the International Economic Policy and Research Staff's Office of International Trade Policy.

THE PRESIDENT

President Ford signed two bills relating to trade during October. H.R. 7715 (P.L. 94-108), which extends until June 30, 1978, the period during which certain dyeing and tanning materials may be imported duty-free, was signed Oct. 8. H.R. 7706 (P.L. 94-120), which suspends the duty on natural graphite until June 30, 1978, was signed Oct. 21. (See CONGRESS—BILLS PASSED)

THE CONGRESS

Bills Passed — Senate: The Senate agreed to S. Res. 269, which urged the President to negotiate agreement for the purchase of oil from the USSR during negotiations on Soviet purchase of American grain. The Senate also agreed to S. Res. 285 relating to participation by the Secretary of Agriculture in international agricultural commodity negotiations. H.R. 7706, suspending the duty on natural graphite until June 30, 1978, and for other purposes, was passed and the conference report agreed to by the Senate. (SEE PRESIDENT)

Bills Passed—House: The House agreed to the conference report on H.R. 7706, which suspends the duty on natural graphite until June 30, 1978. (SEE PRESIDENT)

Bills Reported — Senate: S. 961, to establish on an interim basis a 200-mile fishery management zone off the coasts of the United States, and establishing a national marine fisheries management program, was reported to the full Senate. The bill was referred to the Committee on Foreign Relations with instructions to report back by the end of December.

Bills Reported — House: H.R. 9721, providing for increased participation by the United States in the Inter-American Development Bank was reported to the full House. H. Res. 817, providing for consideration of this bill was also reported to the House.

Committee Hearings—Senate: The Subcommittee on International Trade of the Senate Committee on Finance held hearings to consider practices which affect U.S. international trade and S. Res. 265, which is concerned with illicit payments considered to be a necessary expense of doing business in some foreign countries. In his testimony before the Subcommittee, Travis Reed, Assisant Secretary of Commerce for Domestic and International Business, noted that an international agreement governing payments practices would appear to be the most promising means of dealing with the problem of unethical payments. He urged, however, that careful consideration be given to finding the most appropriate forum from the standpoint of reaching an agreement which will effectively eliminate unethical payments practices among the competing multinational enterprises of the industrialized countries.

Committee Hearings—House: The Subcommittee on International Economic Policy of the Committee on International Relations held a hearing on the activities of American multinational corporations abroad. The Subcommittee received testimony from representatives of the Treasury Department, the Securities and Exchange Commission and the Internal Revenue Service. The Subcommittee on Trade of the Ways and Means Committee was briefed in executive session on the multilateral trade negotiations by Special Trade Representative Frederick Dent.

The Committee on Ways and Means continued the mark-up of tax reform legislation. Deferral of income from foreign subsidiaries and the Domestic International Sales Corporation (DISC) provisions are two issues which may be affected by this legislation. At present, income from a foreign subsidiary of a U.S. firm is not taxed until the income is transferred to the U.S. parent. A proposal to attribute this foreign subsidiary income to the U.S. parent firm at the time it is received by the subsidiary was referred to an ad hoc committee for further study, effectively shelving any action on this proposal.

As the legislation now stands, several changes are envisioned in the DISC. Using the average annual export sales receipts for 1972-74 as a base, only exports in excess of 75 percent of this would qualify for DISC treatment, plus the full DISC benefit for any incremental export profits over such base period experience. The base period of 1972-74 would be valid for 5 years. Agricultural commodities, except those in oversupply, would be excluded from DISC and agricultural products would not be included in determining export sales during the base period. Military sales would also be excluded from DISC with the exception of fixed contracts which call for delivery by 1978. The Ways and Means Committee has not yet completed the mark-up of this legislation but it is expected that the bill will be reported to the full House within the next few weeks.

New Legislation: Since the opening of the 94th Congress, 474 trade and related bills have been introduced. Bills not previously reported in this column include: H.R. 9932, to amend the Export Administration Act of 1969 to make clear that information obtained under such act may not be withheld from Congress; H.R. 9962, to neutralize the impact of foreign **oil** price increases upon the domestic economy by removing oil import tariffs and establishing a maximum price for domestically produced crude oil, and for other purposes; H.R. 10110, to prohibit export of **grain** to any petroleum producing country which has petroleum production in excess of its domestic requirements, except pursuant to an agreement providing for exchange of such grain for petroleum;

H.R. 10129, to provide for a reduction in charges imposed on **oil** imports in proportion to OPEC price increases; H.R. 10176, to amend the Tariff Schedules of the United States (TSUS) with respect to the tariff treatment accorded to technologically advanced, high precision **watches and watch movements;** H.R. 10236, to amend the Trading with the Enemy Act to repeal the embargo on U.S. trade with North and South Vietnam; H.R. 10237, to further the foreign policy purposes of the Export Administration Act of 1969 by amending such act to impose export controls on **nuclear fuel and technology** when export of such fuel and technology is likely to contribute to proliferation of nuclear weapons; S. 2431, to require a reduction in the duty imposed on **oil** under section 232 of the Trade Expansion Act of 1962 equal to the increase in the price of such oil imposed by the Organization of Petroleum Exporting Countries during the remainder of 1975;

S. 2440, to amend section 8e of the Agricultural Adjustment Act of 1933 to subject imported **tomatoes** to restrictions comparable to those applicable to domestic tomatoes; S. 2468, to amend the TSUS to provide for a higher rate of duty on certain **automobiles, motor cycles, and parts therefor;** S. 2492, to amend the Export Administration Act of 1969 to subject agricultural export agreements to congressional review; S. Res. 280, relating to certain trade arrangements with the Peoples' Republic of China; S.J. Res. 135, to reevaluate U.S. participation in international and regional organizations and S.J. Res. 136, to repeal the China Trade Act of 1922.

INTERNATIONAL TRADE COMMISSION

Section 201—Import Relief Cases: In its first decision under this section of the Trade Act of 1974, the Commission refused to recommend that U.S. producers be protected against imports of **birch plywood doorskins.** In a 5-1 decision, the Commission reported to the President that the birch-faced plywood is not coming into the country in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing similar articles. This case is significant because it is the first test of the criteria of section 201, which are considered easier to meet than the criteria in the previous law. In announcing this decision, the Commission noted that the filing of a complaint does not automatically entitle the complaining party to eligibility for relief from imports.

The tenth investigation under Section 201 has been instituted by the Commission concerning **mushrooms, prepared or preserved, except fresh or dried.** The investigation will determine whether the mushrooms are being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. The Commission also announced amendment of the scope of the Section 201 investigation concerning **specialty steel** by deletion of silicon electrical steel (TSUS #608.88 and #609.07).

Dumping cases: Upon the advice of the Treasury Department the Commission amended the scope of the antidumping investigation concerning **certain nonpowered hand tools** from Japan to include only punches, chisels, hammers and sledges (with or without handles), vises, c-clamps and battery terminal lifters.

Section 337—Unfair Import Practices: A complaint has been filed on behalf of the Standard Oil Co. of Ohio, Cleveland, alleging that unlicensed importation of certain **bismuth molybdate catalysts** into the United States, and their sale, are unfair methods of competition and unfair acts within the meaning of section 337 of the Tariff Act of 1930, by reason of the coverage of such bismuth molybdate catalysts by claims in U.S. Letters Patents 2,941,007 or 3,642,930. The complaint further alleges that the effect of the unfair methods of competition and unfair acts is to substantially injure an industry, efficiently and economically operated, in the United States. Upon consideration of this complaint the commission has instituted an investigation to determine whether there is any violation of this section as alleged in the complaint. The Rohm & Haas Co., Philadelphia, and Nippon Shokubai Kagabu Kogyo Co. Ltd., Osaka, Japan, have been named as respondents.

TREASURY DEPARTMENT

Countervailing Duty Cases: The Department announced that an investigation will not be initiated into the alleged subsidization of **steel** exports by the United Kingdom, West Germany, France, Belgium, Netherlands, Luxembourg and Italy. The U.S. Steel Corp.'s petition for assessment of countervailing duties on imports into the United States of steel products from the countries charged that direct and indirect bounties or grants are being bestowed on the manufacture, production and export of steel products by reason of the operation of the value-added tax systems of these countries. Treasury has held consistently over the years that rebates or remissions of indirect taxes, directly borne by exported products are not bounties or grants within the meaning of the countervailing duty law. Value-added taxes, such as those at issue, are such indirect taxes. The Department concluded, therefore, that U.S. Steel's petition was insufficient to warrant initiation of a formal investigation.

The Department initiated a countervailing duty investigation against glass beads produced by Canasphere Industries, Ltd. of Saskatchewan, Canada. In 1974, imports of glass beads from Canasphere Industries total approx. $328,500. The petition from the domestic industry alleged that the glass beads receive bounties or grants in the form of regional incentives from Canadian federal, state and local governments. If the determination of the investigation is positive an additional customs duty equal to the

NFTC Consultants

U.S. Government trade specialists will be available for consultations during the 62nd National Foreign Trade Convention at the Waldorf-Astoria Hotel in New York Nov. 17-18. They are:

Calvin C. Berlin, former U.S. Commercial Counselor in Brazil.

Walter A. Lundy, a former Economic/Commercial Officer in Iran.

Charles J. Barrett, Deputy Assistant Director of Commerce Department's Office of International Marketing, a Western Europe specialist.

Theodore F. Fiedler, Country Marketing Manager for West and Central Africa in the Commerce Department Office of International Marketing.

Hertha W. Heiss, Director of the USSR Affairs Division in Commerce's Bureau of East-West Trade.

J. Mishell George, Director of the Office of Joint Commission Secretariat in the Bureau of East-West Trade.

Erik Kihl, Trade Development Assistance Division, Bureau of East-West Trade.

Businessmen requesting appointments with these specialists may write Gilbert L. Hachadoorian, U.S. Department of Commerce District Office, Federal Bldg., 26 Federal Plaza, New York, N.Y. 10007; phone 212-264-0623.

bounty or grant will be assessed. A preliminary determination in this case is due Feb. 25, 1976. The Department must make a final determination no later than Aug. 25, 1976.

Antidumping cases: The Department also determined that **birch 3-ply doorskins** from Japan are being sold, or are likely to be sold, at less than fair value. Comparisons between the purchase price or the exporter's sales price and the constructed value of subject merchandise revealed that it was sold in the United States for less than in the home market. In 1974, imports of birch 3-ply doorskins were valued at approx. $7.6 million.

The Department announced initiation of antidumping investigations on imports of **AC adapters** and **tantalum electrolytic fixed capacitors** from Japan. These announcements followed summary investigations conducted by the U.S. Customs Service after receipt of petitions alleging that dumping was occurring in the United States. The information received tends to indicate that prices of the merchandise sold for exportation to the United States are less than the prices for home consumption in Japan.

GSP: The U.S. Customs Service has issued proposed regulations for establishing a procedure for the duty-free entry of eligible products from beneficiary developing countries for purposes of the U.S. Generalized System of Preferences. The proposed regulations were published in the *Federal Register* Oct. 28. Public comments must be received by Nov. 27.

COMMERCE DEPARTMENT

Secretary of Commerce Rogers C. B. Morton testified before the Senate Committee on Foreign Relations regarding economic policies the United States should pursue within the framework of U.S. foreign policy objectives. Secretary Morton made several recommendations including support of the development of an international code of conduct and bill of rights for multinational corporations, but opposition to changes in taxation which would increase the tax burden and reduce the competitiveness of multinational corporations in international markets. The Secretary urged that the United States support U.S. exporting firms through positive direct action programs, export financing and avoidance of export controls.

Foreign Trade Zones Board: The Department on Oct. 31 announced the issuance of a grant of authority by the Foreign-Trade Zones Board approving the application of the Chicago Regional Port District for establishment of a foreign-trade zone in Chicago. The zone will be located at the port district's industrial park complex in the Lake Calumet Harbor area on Chicago's south side. It will cover 25 acres within the 2,250-acre complex. A 72,000 square-foot warehouse is available for immediate use and buildings will be constructed to meet the needs of individual tenants. The zone is part of the sponsoring agency's efforts to attract investment and create employment.

Yellowfin tuna embargo: The National Marine Fisheries Service has announced the embargo of yellowfin tuna in any form received directly or indirectly from Spain. Imposition of the embargo is necessary to uphold the U.S. commitment to the Inter-American Tropical Tuna Convention (IATTC) conservation regime. The em-(bargo will also serve to retify an inequitable condition in which U.S. fishermen are placed at a serious competitive disadvantage. The embargo will be lifted when it is determined that the fishing activities of the Spanish vessels are in accord with the conservation recommendations of the IATTC.

Investigation—Firms: The Department instituted several investigations to determine whether increased imports into the United States contributed importantly to total or partial separation of the firm's workers, or threat thereof, and to a decrease in sales or production of the petitioning firms. The investigations were begun upon the acceptance of petitions from the Great Lakes Mushroom Cooperative, Inc., Warren, Mich.; Great Lakes Farms and LaPeer Mushrooms Corp., Imlary City, Mich.; Marzetti Brothers, Inc., Utica, Mich., and MGM, Inc. and Dryden Farms, Inc., Dryden, Mich. All of these firms are **mushroom** producers. If the determinations in the investigations are affirmative, the firms will be certified as eligible to apply for adjustment assistance.

LABOR DEPARTMENT

Adjustment Assistance—Workers: The Department certified workers at several firms as eligible to apply for trade adjustment assistance. The Department found that these workers became unemployed as a result of increased imports. The workers certified had been employees of the following firms: approx. 300 workers of Carlisle Tire & Rubber Co., Carlisle, Pa. **(bicycle tires and tubes);** approx. 900 workers of Stackpole Carbon Co., St. Mary's and Kane, Pa. **(resistors, ferrites, brushes, and annodes);** approx. 400 workers of Keystone Carbon Co., St. Mary's, Pa. **(thermistors);** approx. 165 workers of Springfield Wire of Indiana, Inc., Evansville **(power cords and wire harnesses);** approx. 160 workers of General Coat Mfg. Co., Baltimore **(men's sport coats);** and approx. 900 workers at Warwick Electronics, Inc., Forrest City, Ark. **(portable color television sets).**

The Department denied petitions for trade assistance for workers of the following companies: approx. 250 workers of Airtemp Division, Chrysler Corp., Dayton **(heating and air conditioning components for Chrysler cars and trucks and residential air conditioners);** approx. 65 workers of Amos Abbot Co., Dexter, Maine **(woolen fabrics);** approx. 110 workers of Midland Ross Corp., Easton, Pa. **(plastic articles);** approx. 40 workers of Penn-Vulcar Heel Co., Hanover, Pa. **(men's and women's footwear);** approx. 309 workers of Rockford Cabinet Plant, General Electric Co., Rockford, Ill. **(wood console television cabinets);** workers of Dorsey Trailers, Inc., Elba, Ala. **(truck bodies and trailers);** approx. 200 workers of Magnetic Windings Div., Sterling Electronics Co., Easton, Pa. **(transformers);**

Approx. 1,400 workers of Westinghouse Electronic Corp., East Pittsburgh **(plant and turbo generators and motors, water wheel generators and pumps, power circuit breakers and switchgear apparatus);** approx. 250 workers of Armor Elevator Co., Woodside, N.J. **(elevator component parts);** 8 workers of Dunbar Pattern Co., St. Louis **(shoe patterns);** approx. 700 workers of Switchgear Div., General Electric Co., Syracuse **(electrical switchgear);** and approx. 12,500 workers of Delco Products Div., General Motors Corp., Dayton **(shock absorbers, energy absorbing bumper devices, fan clutches, grinders, hermetic motors and industrial motors and generators).**

Investigation — Workers: Investigations to determine eligibility for adjustment assistance were instituted on behalf of workers of the following companies: Delvin Co., New York **(women's footwear);** Batesville R&P, Inc., Batesville, Ark. **(heels, soles);** Corning Glass Works, Albion, Mich. **(glass bulbs for black and white televisions);** Fairfoot Shoe Co., Bedford, Pa. **(women's footwear);** Queen Casuals, Inc., Philadelphia **(women's sportswear);** Lousons Knitting Mills, Inc. and Mader Knitting Mills, Inc., Philadelphia **(men's, boys' and women's sweaters);** Robert Bruce, Philadelphia **(men's and boys' sweaters);**

Jersey Coat Co., Egg Harbor City, N.J., Elkton Fashions, Elkton, Md., Joseph H. Cohen, New Haven, Ind., M. Born & Co., Chicago, Hart, Schaffner & Marx, Chicago, Robert Tailoring Mfg. Co., Inc., Davenport, Iowa, Zohn Mfg. Co., Denver, Byron Clothing Mfg. Co., Somerville, Mass., Malcolm Kenneth Co., Dorchester, Mass., Major Coat Co., Bridgeton, N.J., Leon Clothing Mfg., Inc., Boston, Guy Lewis, Inc., Boston, Model Coat Co., Vineland, N.J., and Maryland Hampstead Co., Hampstead, Md. **(men's suits, sport coats, overcoats and uniforms);** Oregon Steel Mills, Portland, Ore. **(flat rolled steel products);** Town and Country Shoes, Inc., St. Louis **(women's footwear);** International Resistance Co., Burlington, Iowa **(metal film resistors);** Consolidated Foods Corp., Montgomery, Pa. **(fabricated textile products).**

Trade Fairs, Centers

Taiwan Industries Seek Quality Tools For Metal Work, U.S. Exhibitors Find

U.S. manufacturers of metalworking and finishing equipment enjoy a favorable competitive position in the Taiwan (Republic of China) market. Local industries recognize the precision, speed, durability and operating convenience of U.S. made equipment and are often willing to pay higher prices to improve their own production techniques.

These are among the findings of 22 U.S. companies that displayed and demonstrated their most advanced equipment—for cutting, forming and milling, for drilling, boring and grinding, for welding and finishing—earlier this year at the Taipei U.S. Trade Center's timely MACH TECH exhibition.

Of greatest interest to visitors was the metal cutting band saw and an air powered table band machine. For those interested in the band saw, features of attraction were the programmable automatic feed mechanism; the amount of metal saved as a result of the thin width blade; the speed and accuracy of the one-directional cutting process; and the machine's ease of operation coupled with its compact size. The attractive features of the air powered table band machine were the speed and precision of its blade; its ease of operation; its built-in welding apparatus, and its compactness.

Other items expected to sell well are air and electric driven impact tools, wrenches, screwdrivers, riveters, metal saws, vibrators and winches. Similarly, the application of hydraulic power to metal bending, riveting, drilling, cutting, threading, notching, clamping, pressing and hoisting is expected to create substantial sales opportunities for U.S. manufacturers. These are now concepts in the market, but they initially have been well received. Early intensive promotion supplemented with technical training sessions for buyers and end users could place U.S. manufacturers in an advantageous competitive position for the sale of this equipment.

The market is generally aware of the precision and durability of U.S. manufactured bore gages, depth gages, indicating micrometers and other measuring and regulating instruments. While similar foreign manufactured equipment is often cheaper, it requires frequent recalibration and local manufacturers often indicate that they use U.S. equipment to recalibrate.

The Republic of China has achieved remarkable success in its economic growth and international trade in the past two decades. As growth of the more sophisticated industries continues, demand for advanced metalworking and finishing equipment and techniques will continue to increase, particularly in the development of transportation facilities, shipbuilding, agricultural implements, electric energy generation capacity, steel production, machine tools and other light and heavy industries.

As reported in the May 26 issue of *Commerce Today*, MACH TECH exhibitors' floor sales and 12-month projections totaled $5.4 million.

ON TARGET—*At Taipei U.S. Trade Center, Y. S. Sun (third from right), Minister of Economic Affairs, Ms. Sherly Kuo, Vice Chairman of Economic Planning Council, and U.S. Ambassador Leonard Unger (second from right) watch demonstration of Metco Inc.'s metalizing gun, as William Seah (right), firm's Asia representative, describes the operation.*

Security Equipment Show In Mexico Draws Variety Of End Users

Industries, commercial establishments, banks, and government end users were well represented at a recent industrial-security equipment exhibition at the Mexico U.S. Trade Center.

Fifteen exhibitors representing 48 companies participated in the "between shows" event, during which floor sales reached $131,175—$81,000 by the eight new-to-market firms. Sales in the next year are projected at some $5.3 million. Four representatives were signed and two were under negotiation at the conclusion of the five-day exhibition.

The market for industrial security equipment in Mexico is uneven, according to the U.S. Embassy. Less sophisticated, low technology equipment sells readily. Sophisticated, advanced electronic systems encounter a somewhat undeveloped market. As modern security systems receive market exposure, and market consciousness is raised, buyers will abound. There is no question that tremendous potential exists in this area but success will depend on imaginative promotion techniques, the Embassy points out.

Although many of the products on display were already established in the market, several new and sophisticated security devices were exhibited. Equipment ranged from basic alarm systems to night vision telescopic camera/receiver combinations.

New-to-market companies were optimistic over the long range and felt that their products had received an excellent introduction to the Mexican scene. Both the night vision/closed circuit systems and the anti-bugging/tapping equipment received much attention. One of the exhibitors managed to interest a major Mexican bank in a "total system" approach to security employing television equipment. This entire market/product area is likely to prosper more with each succeeding year.

Exhibitor Comment Details Prospects For Cooling Equipment In Germany

Exhibitor comment following a recent air conditioning and refrigeration equipment show in Frankfurt helps to pinpont the market potential for such U.S. products in Germany:

Heat recovery systems—excellent prospects, as simplicity of design and competitive pricing make U.S. products marketable in Germany in the next 36 months.

Clean room systems and hospital equipment—some difficulties because of comprehensive construction contracts that tend to give preference to European manufacturers. U.S. products are equal in technology to European and Japanese counterparts; energetic sales effort is required.

Refrigeration units—U.S. advantages are in durability and relative sophistication of ancillary control and monitoring equipment at prices equivalent to those of foreign competitors, including French.

Room air conditioners—market is slow but U.S. products remain competitive primarily in terms of quality and durability.

From other countries

These observations describe the market for only some of the equipment exhibited at the Frankfurt U.S. Trade Center event, which had the participation of 18 companies. The average projected sales per exhibitor of more than $300,000 exceeded average projections of the two previous air conditioning and refrigeration shows at the Center by 18 percent and 26 percent. By show's end, one new-to-market exhibitor had eight offers to purchase his company's exhibited equipment. Prospective agents came from the Netherlands, Norway, and Denmark, as well as Germany.

Among the other products exhibited were ice machines, computer room systems, ultra-cool cabinets, servicing and repair equipment and materials, and monitoring instruments.

SHOWING AND TELLING—*H. Scholz (right), engineer of Penn Brass & Copper, demonstrates and discusses merits of firm's machinery with potential customer during exhibition at U.S. Trade Center, Frankfurt.*

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data will be published as available.

U.S. Pavilion at Plovdiv International Fair, Plovdiv, Bulgaria, Sept. 3-10. Exhibitors, 15. Floor sales, $168, 150; 12-to 24-month projection, $11.1 million. Agency agreements signed, 2.

International Engineering Fair—USATECH '75. Brno, Czechoslovakia, Sept. 10-18. Exhibitors, 17, representing 21 companies. Floor sales, $203,900; 12-month projection, $1.7 million, of which $720,000 was estimated by new-to-market firms. Representatives under negotiation, 4.

Electronic Components. U.S. Trade Center, Stockholm, Sept. 22-25. Exhibitors, 18, representing 47 firms. Floor sales, $163,200; 12-month projection, $3.4 million, of which $3.3 million is estimated by new-to-market companies. Representation agreements under negotiation, 8.

Medical and Laboratory Equipment. U.S. Trade Center, Sydney, Oct. 13-17. Exhibitors, 14, representing 22 firms. Floor sales, $45,000; 12-month projection, $2.1 million.

Nord-Air '75-U.S. Trade Center, Stockholm, Oct. 20-24. Exhibitors, 15, representing 23 firms. Floor sales, $293,000; 12-month projection, $14.9 million, of which $13 million is estimated by new-to-market companies. Representatives appointed, 7; under negotiation, 4.

Israel Trade Center In N.Y. To Assist U.S. Businessmen

The Israeli Government has established the Government of Israel Trade Center in New York to advise American businessmen on trade opportunities in Israel and help Israeli manufacturers market their goods and find the proper distribution channels in the United States. Marketing specialists in metals, electronics, plastics, chemicals, food, fashions and textiles, jewelry and arts and crafts are available at the Center.

The Government of Israel Trade Center is located at 111 West 40th St., New York, N.Y. 10018; telephone, 212-594-5215.

"SEWED UP" IN KOREA—*A whopping $500,000 worth of orders were booked during recent "between-shows" event at Seoul U.S. Trade Center when Central Machinery, local agent for Union Special Corp. and Reece Corp., staged industrial sewing machine exhibition. All 24 specialized machines displayed were sold in first three days, and orders taken for several hundred units by show's end. In photo, sales technician explains functioning of welter—which cuts and sews pocket opening in 20 seconds—to garment plant supervisors.*

Worldwide Business Outlook

Incipient Canadian Recovery Threatened By New Inflation

Signs that Canada's economy may be slowly pulling out of its relatively moderate recession became apparent during the summer, reports the U.S. Embassy in Ottawa. The rate of recovery in the U.S. economy is expected to be a primary factor in Canada's return to real growth, but renewed cost-push inflation and tighter monetary policy have threatened to restrain the expected Canadian recovery.

From a stagnant, no-growth situation in mid-1974, the Canadian economy slipped into negative growth in the fourth quarter and continued to be recessionary for most of the first six months of 1975. Preliminary data show real GNP increasing by a slight 0.3 percent in the second quarter, causing some to conclude that Canada's recession had ended and that real growth would continue for the rest of the year.

Causes for concern

Lack of growth in the industrial production index, which was still falling in June; a summer return to double-digit inflation rates; higher unemployment figures in August; and increased interest rates in September make other analysts leery of pinpointing a date for the turnaround in the economy although there is a consensus that the economy probably reached its low point in the summer of this year. A growing concern expressed by government officials, businessmen and economists is the high level of wage settlements (currently at an 18 percent annual increase), which they maintain could make Canadian goods noncompetitive on world markets, thus exacerbating balance of payments and inflation problems.

Unable to reach a "national consensus" on price and wage restraint, then Finance Minister Turner introduced a new budget in June which proposed some fiscal restraints, a surtax on gasoline, slightly higher income taxes for higher-income taxpayers, and a 5 percent investment tax credit. He estimated that the government deficit would rise by over C$3 billion; that lower tax collections, increased unemployment benefits and lower oil export receipts would require an additional C$2.3 billion in government borrowing; and that Canada's current account balance of payments deficit was running at about C$5 billion for the year. In all, the budget was deemed "neutral," neither restrictive nor expansionary.

Inflation abated in the early months of 1975 to about a 7 percent annual increase, but the consumer price index jumped suddenly in June, and for the past three months has returned to double-digit levels. In response, the Canadian Government in mid-October announced plans to implement a three-year program intended to reduce the rate of inflation from the current 12 percent figure to 4 percent.

Finance Minister Turner resigned in September, and a major Cabinet reshuffle took place during the month. Former Energy, Mines and Resources Minister Macdonald took over the Finance portfolio, and speculation rose on the possibility of a new fall budget.

Early in September Bank of Canada Governor Bouey announced an abrupt rise in the bank rate and defended a high-interest rate policy as an inflation-fighting measure. Citing a need for the Bank to defend "the value of money," Bouey indicated that the Bank would keep a tighter rein on the money supply in the months ahead.

Most analysts are agreed that Canada's economy will lag behind economic recovery in the United States by a few months; that unemployment and inflation rates will remain high; that the trade deficits will continue; that housing starts, a weak element in the economy for over a year, will probably not improve much because of higher mortgage rates and housing costs; and that real growth in the overall economy will be held back by high interest rates, labor unrest and inflationary factors.

Ontario and Quebec largely reflected the overall Canadian economic picture, but in Quebec preparations for the 1976 Olympics and work on other major projects are keeping the construction industry at high levels of activity. Due to labor problems and lagging U.S. demand, the British Columbia forestry industry, the mainstay of the province's economy, is in a slump, but its coal industry is thriving because of Japanese demand. Alberta's economy was generally buoyant during the first nine months of 1975, with a relatively low unemployment rate of about 4 percent and with increased oil and gas revenues adding strength to the province's financial position. In Newfoundland, unemployment is extremely high (about 21 percent) but the sustained level of government employment and transfer payments have eased effects of the recession. Nova Scotia has a similar situation with regard to government employment and transfer payments, but its pulp and paper industry is particularly depressed. Throughout Canada, consumer demand remains strong as wage increases keep ahead of inflation rates, and sales of non-durables continue to rise.

Canadian global exports in the first half of 1975 increased on a value basis by only 4.8 percent to C$16.2 billion compared with the first six months of 1974. In real terms, such exports declined by 10 percent in view of a rise of 15 percent in average export prices during the period. Exports to the United States of C$10.5 billion were only 2.8 percent above the 1974 level, resulting in a decline in the U.S. share of total Canadian exports to 65 percent. Natural gas deliveries increased by C$230 million, solely due to price increases, and accounted for nearly 80 percent of the total rise of C$288 million in exports to the United States. Crude oil shipments fell by C$95 million, while newsprint shipments rose nearly C$150 million. Lumber declined by over C$130 million and shipments of copper alloys fell by C$80 million.

First-half import figures

On the import side, Canada's global purchases rose C$2.6 billion (15 percent) to C$17.5 billion in the first half of 1975. However, average import prices rose about 20 percent during the same period, resulting in a net decline in imports on a volume basis. Little more than half of the import increase was in purchases from the United States, which advanced C$1.4 billion, or 14 percent, to C$11.7 billion. The U.S. share of total imports declined to 67 percent from 69 percent in the corresponding period of 1974. Machinery imports, which rose C$525 million, accounted for 37 percent of the increase in imports from the United States, and coal imports were about C$100 million higher, primarily due to price increases.

Two-way automotive trade in the first six months totaled just over C$6.6 billion, compared to C$5.9 billion for the comparable 1974 period. The U.S. surplus of nearly C$1 billion (a C$441 million deficit in passenger cars offset by a surplus of over C$1.3 billion in automotive parts) can probably be expected to reach up to C$1.6-$1.8 billion for 1975 as a whole.

In accordance with the Government of Canada's decision in late 1974, authorized crude oil exports dropped to 800,000 barrels per day (b/d) on Jan. 1 and to 750,000 b/d effective July 1. A further cutback on Jan. 1, 1976, can be expected in line with announced policy.

In the case of natural gas, the government raised the export price to C$1.40 per thousand cubic feet (mcf) on Aug. 1 and a further increase to C$1.60 per mcf was scheduled for Nov. 1. While quanti-

ties of natural gas exported for the 1975-76 winter season should be maintained at approximate previously contracted levels (excepting certain delivery shortfalls from British Columbia), export curtailments may be instituted by the government in coming years as Canadian reserves continue to decline.

In July the government announced that Phase II of the Foreign Investment Review Act, covering the screening of new investment and of expansion by established foreign-controlled firms into new areas, would go into effect Oct. 15. Shortly thereafter, a change occurred in the leadership of the Foreign Investment Review Agency, with a top civil servant assuming the Commissioner's job. Little change is expected in the general policy of the Agency toward takeover proposals, which has resulted in about four out of five proposals being approved, but it is still too early to forecast the effects on foreign investment of Phase II operations. Broad and flexible guidelines have been issued on related business expansion, not subject to the Agency's review.

In what seems to be a change of policy, Quebec's provincial government will not only welcome foreign investment but will continue actively to seek it out. While there have been divergences between what Quebec leaders have said about foreign investment for domestic and foreign consumption, recent speeches tend to confirm that a welcome, with some strings attached, will be extended to foreign investment.

Investors are also sought by Newfoundland, particularly in labor-intensive industries, but some of the other provinces are becoming less hospitable toward land acquisition by foreigners. The Supreme Court of Canada has upheld the restrictive land purchase regulations of Prince Edward Island, and there are indications that other provinces may adopt land-use regulations preventing non-residents from purchasing farm or recreational land.

The Sept. 1 deadline for full compliance with the packaged non-food products provision of the federal Consumer Packaging and Labeling Act passed with virtually no notice. The new rules for packaged food products become effective on March 1, 1976, and while more objections have been raised, it appears the deadline will be met with minimum difficulty except perhaps for wholesale cartons of meat, fresh fruit, vegetables, etc., for which precise clarification has not yet been forthcoming from the government.

The business climate has not been disturbed by proposed Quebec provincial regulations which, under its Official Languages Act, would give equal prominence to French if other languages are used. Regulations (copies of which are available from any U.S. Department of Commerce District Office) are scheduled to take effect Jan. 1, 1976, for food items and Jan. 1, 1978, for non-food items.

Spiraling costs in the construction industry have heightened Canadian interest in U.S. sources for a wide range of building equipment, machinery and supplies. Sales possibilities in other areas offering comparative advantages to U.S. exporters include heat and energy systems; commercial and industrial food processing and packaging machinery; power-driven handtools; metalworking and electrical machinery; consumer durables; and some textile and clothing products. The U.S. Consulate in Toronto reports increased interest in automated and multifunctional equipment by Ontario firms, and the Consulate in Montreal suggests that electric relays, electric motors, generators and armature rewinding equipment have a growing market in Quebec.

A brief market survey on pollution control equipment prepared by the U.S. Consulate General in Toronto is available from the Canada Country Specialist, Room 4217, OIM/BIC, U.S. Department of Commerce, Washington, D.C. 20230.

Bicentennial celebrations in the United States are receiving excellent coverage in the Canadian news media, and Canada is participating in specific events recreating U.S. history. Due to their proximity and willingness to share in U.S. birthday celebrations, Canadians are a receptive audience for programs commemorating the Bicentennial. Tourist and related industries should benefit from this Canadian interest.

Staging of the Olympic Games in Montreal in the summer of 1976 gives an opportunity for U.S. interests to share in the benefits of increased tourism the Games will provide to North America. U.S. businesses, particularly those in the northeast, should give careful consideration to commercial programs designed to capitalize on this large influx of foreign visitors next summer.

CAMPBELL'S IN CANADA—*Kettles of vegetables are readied for the next batch of soup at the United States company's plant located at Portage la Prairie, Manitoba.*

Guatemala Seems To Be Emerging From Mild Slump

Guatemala seems assured of favorable balance of payments conditions and rapid economic growth over the near future, reports the U.S. Embassy there. Preliminary data for 1975 indicate that the economy is already accelerating out of its mild slump, and government efforts to slow inflation through contractionary monetary and fiscal policies and price controls appear to be taking effect.

After several years of an annual real growth rate approaching 8 percent, the economy slowed in 1974 to 5.5 percent real growth while inflation accelerated from 15 percent in 1973 to around 25 percent in 1974. Much of this difficulty can be blamed on higher prices of industrial imports, particularly oil. While Guatemala's petroleum bill for 1974 was almost three times larger than the previous year's, the number of barrels imported actually decreased slightly. This provoked the largest trade deficit ever recorded, but large inflows of foreign exchange from tourism and foreign investment meant that Guatemalan foreign reserves declined only slightly by year's end to $202 million.

The government measures against inflation seem to be taking effect. Whereas the wholesale price index jumped nearly 23 percent from the second quarter of 1973 to the second quarter of 1974 and the retail price index rose 21 percent in the same period, the two indexes climbed only 15 and 9.5 percent, respectively, in the following 12 months.

Boon to U.S. exporters

A growing Guatemalan economy with expanding trade bodes well for the United States. The United States has always been Guatemala's largest trading partner, and for the last several years the U.S. share of total Guatemalan imports has grown slightly, reaching nearly 32 percent in 1974. In that year, the absolute value of imports from the United States increased $88 million over 1973 to total $222 million. The value of U.S. imports in the first six months of this year was 25 percent greater than for the same period in

1974. One reason that this increment is not as large as the 1973-74 jump is that higher automobile taxes, especially on larger vehicles, implemented in late 1974 has hurt the U.S. competitive position.

Probably the development with greatest impact for U.S. business is the fact that contracts to initiate oil exploration will soon be signed. So far 33 oil firms have registered as Guatemalan companies and have made application to drill on one or more of the 14 tracts established by the government covering the Peten area in northern Guatemala and adjacent areas to the south. The government is now screening those applicants.

An oil company drilling under the old petroleum law has discovered enough oil to begin investing in infrastructure and roads in order to get the oil to market. This fact plus the continuing discoveries of oil deposits in neighboring southern Mexico indicates there is a possibility that Guatemala may become a petroleum exporter in the near future.

A few years ago, representatives from several U.S. banks opened offices in Guatemala to negotiate loans. The monetary contraction of the past year, combined with conservative lending laws which apply to Guatemalan banks, have spurred a tremendous increase in the volume of loans made by these representative offices. A new banking bill submitted recently to Congress would require the approval of the Monetary Board before agents of any other foreign banks would be allowed to initiate loan operations in Guatemala. The bill would, among other things, also subject the applications of foreign banks who want to set up banking operations to stiffer criteria.

Market potential is good

The market potential in Guatemala for several product lines looks very good. The highly developed and expanding commercial agricultural sector is using its earnings to modernize and mechanize. The value of agricultural machinery imports from the United States increased 60 percent in 1974, and the future market looks good. Demand for construction supplies and equipment is also growing, since Guatemala is undergoing a construction boom, rapidly expanding the number of private residences as well as large hotels.

In addition, the government is about to begin work on several big infrastructure projects which will require millions of dollars worth of construction equipment. The Rio Chixoy hydroelectric plant, plus another 60-megawatt hydroelectric plant and a 30-megawatt geo-thermal plant, will require tens of millions of dollars worth of power generating and transmission equipment. The government is also planning to spend $46 million in the next few years to expand and modernize its small telephone system.

Resource Shortage Makes Hungary Vulnerable To Worldwide Inflation

Hungary's economy continues to grow at a brisk pace, but the short to medium-term outlook is for modest rates of growth and much slower rises in the standard of living as available resources are shifted from consumption to investment. In spite of the failure thus far to place American-Hungarian trade on a Most-Favored-Nation (MFN) basis, adds the U.S. Embassy in Budapest, bilateral trade levels continue to rise. Prospects for continued moderate increases even without MFN are good, but a spectacular rise in bilateral trade would result from the granting of such treatment.

Growth rates for the Hungarian economy in 1974 were similar to rates achieved during the past several years, with results exceeding planned goals in most important sectors. Hungarian official statistics report that national income rose by 7 percent in 1974. Industry was responsible for about 44.3 percent of national income, agriculture for 15.9, trade 16.2 and construction 11. Industrial production jumped 8.2 percent and was led by the machinery industry (11.8 percent), chemicals (9.4), metallurgy (9.4), and electric power (8.2).

Hungarian agriculture registered a better than planned 3.7 percent gain in overall production in 1974, but overall agricultural performance was mixed.

While Hungarian statistics do not include figures for gross national product, American figures indicate that Hungarian GNP in 1974 totaled $21.3 billion or about $2,100 per capita, a 5.4 percent increase over 1973. In terms of GNP per capita, Hungary trails East Germany and Czechoslovakia but ranks ahead of Poland, Romania and Bulgaria.

Hungary's foreign trade picture in 1974 was the most visible weak spot in the economy's overall performance. The negative balance of trade in goods exchanged for hard currency exceeded $600 million in comparison to a $100 million surplus chalked up in 1973. This deterioration was caused by a sharp rise in prices for important imported commodities such as crude oil, chemicals and sophisticated machinery, while Hungary's major exports to hard currency areas registered much smaller gains. The total value of hard currency imports rose by 64.7 percent in 1974 while total exports went up by a comparatively modest 23.3 percent. Hungarian industry again was generally unable to sell its finished products to hard currency customers. Sales of finished industrial goods to non-Communist countries totaled only 8 percent of total exports to this area, while constituting 35 percent of total deliveries to CEMA countries.

In its ruble trade with CEMA countries, Hungary registered a moderate surplus. Of Hungary's total trade in 1974, 62 percent was with CEMA countries, 30 percent with developed non-CEMA countries, and 8 percent with developing nations. The Soviet Union continued to be Hungary's most important trading partner, accounting for 30 percent of total Hungarian foreign trade, while West Germany (8.5 percent) and Italy (4.3 percent) were Hungary's most important Western partners.

Hungary's trade with the Soviet Union is affected by serious problems. CEMA price adjustments enacted in early 1975 have been most disadvantageous to resource-poor Hungary, traditionally an exporter of finished industrial products and certain agricultural commodities to the USSR in exchange for raw materials. As a result of CEMA price increases based on world market averages for the previous five-year period, Hungary finds itself paying about 2½ times more for oil (at 38 rubles a ton) and 50 percent more for iron ore than it did a year ago. At the same time, increases in prices for Hungarian goods delivered to the Soviet Union have been relatively modest, with the 20 percent price jump for Ikarus buses, Hungary's most important export to the USSR, being rather typical. Furthermore, in exchange for Soviet raw materials the Hungarians have been asked to devote considerable resources to investments in the Soviet Union, such as the Orenburg Gas Pipeline Project and the Kursk Steel Complex, thus diverting additional production which might have been sold elsewhere. Net result: Hungary's formerly positive balance of trade with its CEMA partners has now turned into a sizable deficit.

Internal economic problems exist

In addition to foreign trade difficulties, inflationary pressures, the slow completion rate for investment projects and excessive stockpiling by enterprises continued to pose problems for economic policymakers. Although the rise in the consumer price index was held to 1.9 percent in 1974, the fight to keep prices in line proved to be an expensive one as the government was forced to grant large subsidies to enterprises to enable them to cope with the impact of higher world prices.

Investment in 1974 reached 120 billion forints, a 10.9 percent increase over the amount invested in 1973. Yet, while the planned level of investment was reached, Hungarian planners are less than totally satisfied with last year's results. The economic leadership has repeatedly criticized the continued slow pace of investment completion, particularly on large priority

U.S.-HUNGARY TRADE WAS SUBJECT—*Secretary of Commerce Rogers C. B. Morton meets Hungarian Prime Minister Gyorgy Lazar during visit to Budapest last month. The U.S. Secretary explored with Hungarian officials various possibilities for trade expansion.*

projects, and an increase in the number of unfinished investments. At the beginning of 1975, tighter controls were introduced on new investments and heavy emphasis was placed on completion of those projects already in progress.

Increases in industrial output in 1974 came almost exclusively from rises in worker productivity, which jumped 8.1 percent. Additions to the labor force were few—a legacy of the extremely low birth rates registered by Hungary in the late 1950s and early 1960s—and the total number of industrial workers rose by a mere 0.8 percent. The steady drift of workers away from agriculture continued, aided by the rapid pace of mechanization in this sector.

It appears that the Hungarian economy will be facing a number of serious challenges during the short and medium-term. Although total industrial output continues to rise at a rapid annual rate of over 8 percent and prospects for agriculture appear to be good, a continually growing hard currency trade deficit and marked degeneration of Hungarian terms of trade with CEMA as a result of hefty hikes in Soviet raw material prices, make it appear probable that resource-poor Hungary will be in for a period of markedly lower real growth, perhaps lasting for the remainder of the 1970s. During the first four months of 1975, Hungary's hard currency trade deficit climbed to $350 million (compared to $140 million for the first four months of 1974) as imports jumped 35.1 percent while exports stagnated at 1974 levels. While the Common Market meat embargo, which was not in effect during the early part of 1974, can be blamed in part for the failure of Hungarian exports to surpass last year's levels, the poor trade performance is also attributable to the general economic slowdown in the West and the slump in demand for what are frequently marginally competitive Hungarian exports.

Strong inflationary pressures in the economy are likely to continue. The government will be forced to continue to devote substantial resources to the anti-inflation fight in the form of subsidies. Nevertheless, the high cost of subsidies in both terms of budgetary expenditures and the fact that these payouts tend to encourage noneconomic production by sheltering domestic producers from world market trends will probably result in the government permitting a somewhat higher rate of inflation. Consumer prices are planned to go up at the rate of 3.5 percent in 1975. Some economists expect that a 5 percent rate might be set as the guideline in subsequent years. However, as inflation is a most sensitive issue in Hungary—where middle-aged citizens vividly recall the hyper-inflation of the immediate postwar period—the government is likely to take steps necessary to prevent a rate of inflation exceeding 5 percent.

Preparing for difficult times

In preparation for more difficult times ahead, top Hungarian officials have been stressing the need for harder work, greater conservation, smaller salary increases and the necessity to phase out inefficient production more quickly while giving priority to investments capable of earning hard currency. Non-essential imports are being discouraged by the National Bank's tight credit policy and a number of new investment projects have been shelved or postponed. The Hungarians appear to be giving top priority to maintaining their good credit rating in Western financial circles, won as a result of prudent fiscal policies and the skill and imagination of Hungary's top bankers. While figures on Hungary's external debt and debt service ratio are not published, hard currency debt in 1971 was estimated to be about $921 million. Guesses as to current levels of hard currency indebtedness range between $1 and $1.5 billion.

Yet, in spite of the serious economic strains experienced at the present time, Hungarian economists feel that they will somehow muddle through even if real growth rates are miniscule for two or three years. Hungarian exports to the West should pick up as Western countries emerge from their current recessions. Furthermore, while Hungarian external debt is larger than before, the reputation for fiscal responsibility that Hungary enjoys should enable it to raise still additional sums from Western sources. In addition, the USSR is being looked at as a source of hard currency credits. Finally, the Hungarian economic reforms, with their emphasis on enterprise managers, have given the economy as a whole a certain resilience that many of its CEMA neighbors lack. If the basic principles of the reform are adhered to, in particular if non-profitable operations can be quickly phased out or restructured, the short and medium outlook may not be as bleak as some observers fear. Nevertheless, at this time, it appears that it will be extremely difficult, if not impossible, for Hungary to reach the official guidelines of 30 percent growth in national income and 23 percent growth in real wages which have been established for the next five-year plan period.

While economic strains will undoubtedly reduce short-term sales prospects for many Western firms in Hungary, the effect upon levels of American-Hungarian trade is likely to be limited. Direct U.S. exports to Hungary, which totaled $55 million in 1974 (up from $33 million in 1973), consist primarily of soybean meal, agricultural machinery, livestock for breeding purposes, and instruments with technological content, all of which are key elements in top priority development programs. Sales of these products, therefore, can be expected to hold up and possibly expand even if strict curbs on imports were to be adopted. A far larger obstacle to increased U.S.-Hungarian trade ties is the fact that Hungary as yet still does not benefit from Most-Favored-Nation tariff treatment and, in retaliation, levies a specific tariff against imports from the United States. While it is difficult to predict when MFN for Hungary might be forthcoming, placing bilateral trade on an MFN basis would almost certainly result in a quantum leap in American-Hungarian commerce to perhaps four or five times current levels.

Hungary's principal areas of emphasis in the years to come will be projects to boost hard currency earning capacity which do not require heavy input of raw materials and energy. Top priority fields will be agriculture, agricultural machinery, food processing, aluminum processing, medical instruments, pharmaceuticals, telecommunications equipment, bus production, and certain segments of the chemical and textile industries. American firms may be able to compete effectively in the Hungarian market, even in the absence of MFN, due to the dollar's current low level. Using an overseas subsidiary to make initial market penetration has proven to be a successful strategy for many U.S. companies, since products manufactured by subsidiaries are not subject to Hungary's high retaliatory tariff.

Colombian Policies Set Environment For Increasing Confidence, Growth

Increased agricultural output and high world coffee prices are keeping Colombian growth figures up, masking somewhat the depth of the recession in the cities. Real gross domestic product will probably record an increase of 5-6 percent this year, according to the U.S. Embassy in Bogota, only slightly under 1974's 6.1 percent figure. Sound economic policies, reduced inflation and increasing confidence in the government should set the stage for recovery, however, and the overall outlook for Colombia is favorable.

Falling world and domestic demand has increased excess industrial capacity and reduced investment. Earlier uncertainty about the new government, a sharp increase in the tax take and reduced construction activity further affected demand and investment, particularly in the industrial sector, increasing urban unemployment.

The Lopez administration devoted its first year to price stabilization and financial and tax reform. These mutually reinforcing policies have been largely successful, creating an environment for resumed business confidence, increased government expenditure and providing some tools for improved fiscal and monetary management.

While economic relations between the United States and Colombia are close and healthy, a number of factors, such as Colombian Government attitudes toward foreign investment, implications of Andean Pact programs and Colombian efforts to diversify its foreign trade, present a series of challenges to American business.

New foreign investment in Colombia continues to be sluggish. Two long-pending mining ventures are still not under way on a large scale; Hanna Mining Co.'s plans for the Cerro Matoso nickel deposit and Peabody Coal Co.'s plans for the Cerrejon coal deposit involve hundreds of millions of dollars. Texaco may invest huge amounts to develop the natural gas field discovered on the Guajira peninsula and to build downstream facilities. It is possible that the recent increase in oil prices will stimulate substantial new exploration and development activity.

It is announced policy that the petroleum industry in the country will become majority-owned by Colombia. Negotiations with the several U.S. companies affected are still in a preliminary stage. The value of the shares to be purchased by the government, though important, does not compare with the vastly greater values that exist in major producing countries.

The First National City Bank of New York and the Bank of America are also affected by the government policy established earlier this year requiring eventual majority Colombian ownership of all banks and insurance companies in the country. This move conforms to the dis-investment spirit of the Andean Pact's Foreign Investment Code, though the government had previously granted banks an exception to the Andean rules. Final definition of the Code's application in Colombia has not been completed, but it is likely that a philosophy of "Colombianization" will be extended to other important sectors.

The U.S. share of Colombia's registered imports was 42 percent during 1974, an increase over 1973, and was running at 43 percent through July 1975. In dollar terms registered imports from the United States exceeded $750 million last year and will go higher this year. While these figures are for registrations, and actual arrivals will be less, the U.S. share of the market should be essentially unchanged. The United States is also Colombia's major customer, purchasing about 40 percent of total Colombian exports.

U.S. exports to Colombia traditionally have included a wide range of items, including transportation equipment, industrial machinery, agricultural products and chemicals. This pattern may change somewhat in the future as Colombian development plans, reinforced by Andean Pact programs, gradually result in greater agricultural self-sufficiency, improved infrastructure and domestic or Andean Pact production of a variety of finished products now being imported.

Domestic investment, which has been lagging, should pick up as the Colombian economy recovers from effects of the government's price stabilization plan and as exports respond to improved sales opportunities abroad. According to Embassy market research, this should lead to significant opportunities for sales of a wide range of capital goods including heavy trucks, used aircraft, printing and graphic arts machinery, business systems, agricultural machinery, food processing and packaging equipment, textile machinery and metalworking and finishing equipment.

Improved tax collections, coupled with projected loans in excess of $2 billion from international lending institutions, will result in greatly increased outlays in the public sector. Projects under consideration or already initiated will offer excellent opportunities for U.S. exporters engaged in supplying services and equipment in such fields as telecommunications, radio and television broadcasting, road and highway construction, electric power generation and transmission, refineries, petrochemicals and water supply and waste disposal.

Additional opportunities, perhaps in the neighborhood of hundreds of millions of dollars, will be offered by development of the Cerro Matoso nickel deposit, Cerrejon coal reserves and the Guajira gas fields.

The Colombian Government requires that foreign companies be represented by a local agent in order to bid on public projects. As bids normally must be presented within 30 to 60 days from opening of the tender, appointment of an agent during preliminary phases is essential.

The U.S. Embassy and the U.S. Consulates in Cali and Medellin have an active program in support of U.S. companies desiring to export to Colombia. Activities during 1976 will include a pollution control equipment trade mission, a metalworking equipment catalog show, a U.S. pavilion at the biennial Bogota International Fair, and the promotion of attendance by Colombian businessmen at several industrial exhibitions in the U.S.

Colombia established relations with Cuba earlier this year. While trade missions from the two countries have made visits, U.S.-Colombian trade should be little affected. However, U.S. trade could be affected somewhat by Colombian attempts to diversify by importing more from Eastern Europe. Petroleum industry equipment and fertilizer from Romania are items most frequently mentioned in this context. Essentially, Colombia is trying to find ways to utilize the positive trade balances it holds with several Eastern European countries under bilateral compensation (barter) agreements.

Expanding Colombian trade with the other five members of the Andean Pact (Bolivia, Chile, Ecuador, Peru, Venezuela) could have more impact on the United States. When regional sector agreements for certain industries among the six countries are finally implemented, there may be investment and export opportunities for U.S. firms in those fields.

Various Problems Confront Iceland

Iceland's economic situation is precarious, according to the U.S. Embassy in Reykjavik. The country continues to contend with high inflation (50 percent), rising wages, low fish prices and a large budget deficit. The trade deficit is growing, and net foreign exchange reserves are negative. Full employment has been maintained, but real disposable income is down by 16 percent.

Last year the financial situation became so serious that the Central Bank suspended foreign exchange trading for almost two weeks. When the new government took over following this crisis, it announced that it would take steps to get the economy going again.

The government, however, has for the past year been largely preoccupied with the labor sector. The wage-price link severed last year has been restored in modified form, but has bought only a short-term labor agreement which expires Dec. 31. Full employment considerations are the country's main concern; consequently, other aspects of economic life receive less attention and have suffered accordingly. An example is export sales.

Related to export sales is the Icelandic Government's recent unilateral declaration of a 200-mile fisheries limit. Its long-standing dispute with West Germany over the former 50-mile limit has prevented Iceland from receiving the full benefits of an earlier accord with the European Common Market. The Icelandic Government believes the benefits would be substantial, but prospects for agreement on the new limit are uncertain, which raises doubt about improvement in Iceland's trade position in that area.

Prospects for 1976 are as cloudy as ever. Iceland lives by exporting fish and importing foreign goods and services. There is hope that U.S. recovery will raise demand and prices for fish.

In addition to the fisheries limit dispute, another cloud is the further likely increase in oil prices. Import of high-priced oil in recent years has seriously impaired Iceland's balance of payments and Iceland has had to borrow extensively from the IMF. It has yet to adjust to these higher prices, and a substantial increase now would be a serious blow to the economy.

Despite the slowdown in the economy, imports will continue at a high level. Higher wages are likely to be negotiated toward the end of the year and consumer demand will rise.

The recent agreement between Union Carbide and the Icelandic Government augurs well for U.S. exporters that can supply goods and services for the $65 million ferro-silicon plant.

International Business Reports

Uniform Customs and Practice for Documentary Credits. Four-page leaflet for binders, $1.25; 23-page brochure, $1.75.

Incorporates new rules and procedures which went into effect Oct. 1 governing international letters of credit. This is the first new edition of this publication since 1962, and contains important changes which fall mainly into two categories: clarifications based on experience with the rules, and changes to accommodate the spread of containerization, air cargo and other new methods of moving goods as well as the increasing use of computers in data transmission.

Write: U.S. Council of the International Chamber of Commerce, 1212 Avenue of the Americas, New York, N.Y. 10036.

Investment Insurance Handbook. Published by Overseas Private Investment Corporation. 16pp. Free.

Pamphlet containing basic information on OPIC's insurance program.

Write: Overseas Private Investment Corporation, 1129 20th St., NW., Washington, D.C. 20527.

Directory of American Firms Operating in Foreign Countries. 8th edition. 1,622pp. $75.

Lists 4,500 American corporations that control 17,000 foreign business enterprises. Section I gives names and addresses of the parent company in the United States, as well as the president and officer in charge of overseas operations, when known, and principal products or services.

Section II, which is divided by country, lists alphabetically 112 foreign states with company address and product or service noted under the national designation.

Write: World Trade Academy Press, 50 East 42nd St., New York, N.Y. 10017.

The World Today Series. Annually revised and published each August by Stryker-Post Publications, Inc. $2.25 each.

Titles in this series include Africa, Latin America, Middle East and South Asia, Far East and Southwest Pacific, and Soviet Union and Eastern Europe. According to the publishers, the purpose of each volume is to provide a combination of necessary background and up-to-date current information on each of the countries of the area. There also is presented material on relations between the respective nations and their international economic and political affairs.

With this aim in mind, they add, each annual issue incorporates substantial revisions and updating as compared with earlier ones. Maps and photos are included.

Write: Stryker-Post Publications, Inc., 888 17th St. NW., Washington, D.C. 20006.

Calendar For World Traders

Nov. 12—New York—International Executives Assn. meeting. John E. Lohnes, Korn/Ferry International, will discuss A Coming Decade of Opportunity for the International Executive.

Nov. 13—Chicago—International Trade Club of Chicago luncheon meeting, Sheraton. Hubert Baschnagel, Swiss Bank Corp., will discuss Foreign Exchange Trends: Review and Preview.

Nov. 17-19—Ann Arbor—Seminar on Licensing and Joint Ventures, Ways to Reach Foreign Markets. Joseph Lightman, Deputy Director of Commerce's Foreign Business Practices Division, will speak. Sponsor: Institute for International Commerce, University of Michigan.

Nov. 18—Cleveland—World Trade Assn. workshop on Exporting—From Inception to Completion, Holiday Inn.

Nov. 19—New York—International Executives Assn. seminar on The Initial Marketing Approach.

Nov. 20—Seattle—Business Conference: Indonesia, Malaysia & Singapore. Downtown Hilton. Sponsors: Commerce Seattle District Office, Washington State Department of Commerce & Economic Development, Seattle Chamber of Commerce.

Nov. 24—Cincinnati—Small Business Administration workshop: How to Grow With Exports—Direct Exporting, Licensing and Manufacturing in Foreign Countries.

Dec. 1-2—New York—World Trade Institute workshops on Consumer Product Packaging for Export; Effective Patent Management—U.S./Europe; and Compensation and Related Personnel Practices for International Operations.

Dec. 1-5—New York—AMA seminar on How To Export.

Dec. 3—Miami—International Center of Florida meeting. Arthur T. Downey, Deputy Asst. Secretary of Commerce, will discuss Trade With Cuba.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about upcoming trade exhibits and trade missions, licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, and details on major construction and expansion projects.

U.S. Promotions Abroad

For more facts on these and other U.S. exhibitions write: Director, Office of International Marketing, Rm. 4015, U.S. Department of Commerce, Washington, D.C. 20230. For trade missions: Rm. 4219, U.S. Department of Commerce, Washington, D.C. 20230.

In-Store Promotion. Blokker, Amsterdam. Christmas 1975, April 1976. Gebr. Blokker B.V. will hold a major promotion of U.S. consumer products in its 42 retail stores. U.S. products will also be advertised in the Blokker Christmas catalog and in the April 1976 catalog. Store contact is: J. Blokker, Director, Gebr. Blokker B.V., Van der Madeweg 13, Amsterdam, Netherlands. Mollie Cleveland, 202-967-4705.

Aviation Electronics and Ground Support Equipment Trade Mission To Nigeria, Botswana and Ethiopia. January. Sales of all communications and flight instrumentation commonly found in civilian aircraft, and all terminal support equipment, as well as products used to test and service aircraft and aircraft engines, will be promoted. All three countries give high priority to airport and related electronics and ground support equipment in their development plans. Nigeria has a massive airport expansion program and abundant foreign exchange from oil revenues. Copper is the keystone of the economies in Zaire and Botswana. E. Lee Carteron, 202-967-2973.

Clothing USA Exhibition. U.S. Trade Center, Milan. Jan. 6-9. Due to the interest shown in the "Men's and Women's Sportswear and Casual Clothing" JEEP and the "Children's, Infants' and Juniors' Apparel" JEEP, these two events have been combined into a larger exhibition entitled "Clothing USA." Italy offers a promising market for these types of apparel because of the continuing trend towards a more casual lifestyle and shift in consumer demand to ready-to-wear apparel. Convenience-type clothing emphasizing ease of care, wash-and-wear fabrics and flame retardant fabrics have especially good sales potential. Ann Corro, 202-967-3945.

Health Care Industries Exhibition, U.S. Regional Trade Center, Singapore. Jan. 13-16. In an attempt to make Singapore the medical center of Southeast Asia, the Government of Singapore has launched a $50 million program for expansion and modernization of health care facilities. The Ministry of Health will spend $8 million for imported equipment in 1976 and similar amounts in following years. Pete Wilson, 202-967-3893.

Hotel, Restaurant and Catering Equipment Exhibits. Paris Trade Center, Jan. 26-29; Lyon, France, Feb. 3-5. The market in France offers strong prospects for American manufacturers of hotel and restaurant equipment. The need for expansion and modernization in the tourism industry has been recognized and the French Government is providing various incentives to stimulate such investment. Industry, schools and hospitals are expanding catering and service facilities. Demand for U.S. equipment, in particular that incorporating labor-saving features, is in strong demand. Furthermore, the downward valuation of the dollar relative to the franc helps give U.S. firms a price advantage. The French are expected to invest about $1.5 billion on hotel, restaurant and ancillary equipment during the 1975-78 period. Beryl Cohen, 202-967-4961.

Advanced Packaging Equipment Exhibition. U.S. Trade Center, Mexico City. Jan. 26-30. Mexico's advancing industrialization to serve a growing and increasingly sophisticated population has resulted in many opportunities for manufacturers of a broad range of packaging machinery. This U.S.-oriented market purchases about two-thirds of all its packaging machinery in the United States because convenience in delivery, servicing facilities and familiarity with the American product are important. Reserve space now as past packaging events have been sellouts. Mary Wiening, 202-967-4463.

Analytical Instruments for Science and Industry Exhibitions. U.S. Trade Center, Frankfurt, Jan. 27-30; U.S. Trade Center, Stockholm, Feb. 3-6. The German market for laboratory instruments amounted to $218 million in 1974 and is expected to reach $280 million in 1979. The U.S. is expected to account for almost $50 million by 1979. This market is expected to grow as a result of large private investments, a significant government budget, expanding technology and the superior quality of U.S.-made analytical laboratory equipment. The Swedish market for laboratory instruments, $74 million in 1974, is expected to expand 17 percent yearly through 1979. Sectors projecting highest growth (100 percent) in the 1974-1979 period are medical, educational and governmental laboratories. Maurice Peter, 202-967-4256.

Port and Shipyard Equipment Trade Mission to Greece, Yugoslavia and Italy. February. Major port improvement and expansion projects, coupled with reopening of the Suez Canal, which is expected to increase ship repair business and cargo tonnages significantly, offer tremendous opportunities for U.S. manufacturers. Among products/services offering best potential are: container terminal equipment, port traffic control equipment, conveyors for transporting bulk cargo, refrigeration warehouse equipment, shipbuilding, ship supply and ship repair equipment, and engineering and port design services. Call E. Lee Carteron, 202-967-4511.

African Semi-Arid Land Development Applications and Technology Seminars. February and May. Two separate events are planned that deal with large-scale land development in semi-arid regions of Africa. There will be seminar sessions in Central African countries of Nigeria, Sudan and Botswana in February and the North African countries of Algeria, Morocco and Tunisia in May 1976. Discussions with key governmental and large-scale agricultural land developers encompass applications associated with soil preparation, irrigation and maintenance; crop planting and irrigation; animal husbandry including poultry and other livestock maintenance; agricultural chemicals' utilization and applications; crop storage; farm machinery and other agricultural engineering techniques and programs. Fred Crosley, 202-967-5285.

Third Ghana International Trade Fair. Feb. 1-15. The U.S. Department of Commerce in coordination with the U.S. Department of State is sponsoring a Commercial Presence Fair in conjunction with the Third Ghana International Trade Fair to be held in Accra. The fair will receive vigorous support from Ambassador Shirley Temple Black and the American Embassy Staff in Accra. Contact Bradley Tyrrell, 202-967-5285, for general information, or Ralph Graner, American Embassy, Accra, for specific details.

Educational and Industrial Training Equipment Exhibition. U.S. Trade Center, London. Feb. 2-6. Directed to local education authorities, headmaster conference schools, universities, professional colleges—both military and civilian, 23 industrial training boards, and training and resource centers in the United Kingdom. Targeted to vocational and management training (administrative, marketing and sales) as well as to academic end-users, this exhibition will be of special value to U.S. producers whose audio-visual instructional systems are versatile enough to encompass more than one application. An import market of $55 million growing at a rate of 8 percent per year, the United Kingdom was one of the world's largest dollar earners in 1974 for U.S. exports ($26.4 million) covered by this exhibition. The Republic of Ireland will be included in the market promotion campaign as a supplemental market. William Flanagan, 202-967-4461.

Energy Systems Exhibition. U.S. Trade Center, Tehran. Feb. 15-19. The Government of Iran has made development of the power sector a high priority item, since it is one of the key factors affecting the pace of industrialization. There is a $350 million market in Iran for power generating, transmission and distribution equipment. By 1979, the market will grow to $700 million per year as Iran attempts to keep up with the 15 percent yearly increase in power demand and consumption. Local manufacturers will be able to supply less than 10 percent of the required equipment through 1980. Karl S. Reiner, 202-967-2952.

Hi-Fi Equipment and Electronic Musical Instruments, Milan. Feb. 16-19. A special opportunity to show and sell the latest in hi-fi equipment and electronic musical instruments is being offered to a limited number of American manufacturers. The U.S. Trade Center staff in Milan will launch an exceptional promotional campaign aimed at the widest possible trade and consumer audience exposure; amplifiers, speakers, synthesizers,

electric guitars, electronic organs, and pianos are some of the items that will make up the exhibition. Mike Springmann, 202-967-3957.

Woodworking Equipment Exhibition. U.S. Trade Center, Taipei. Feb. 16-20. By 1976, Taiwan's imports of woodworking equipment are expected to exceed $10 million. The U.S. share of these imports is expected to increase from 6 to 8 or 9 percent. Taiwan has an internationally competitive woodworking industry. It is the second largest supplier of plywood to the U.S. (over $200 million). Exploding markets for its knocked-down furniture sector are in the U.S., Japan and Australia. The third segment, hardwood handicraft, is also doing a thriving overseas business. Now is the time to get woodworking equipment to the Taiwan market, which is moving ahead again after the world economic slowdown. Andre Williams, 202-967-2396.

Process Measurement and Control Technology Seminars to Korea, Taiwan and Hong Kong. Feb. 16-27. Plastic, synthetic fiber and other petrochemical industry processing is expanding in the Far East. Many firms in these industry segments are seeking new techniques to increase productivity and quality. The Republic of China Government alone is investing over $500 million. These potential customers are unaware of what American companies have to offer them. These seminars are designed to persuade customers to buy from participating panel members. Fred Crosley, 202-967-5285, for information.

Scientific, Medical, and Industrial Instrumentation Catalog Exhibit. India. Feb. 17-27. A potentially lucrative market exists for U.S. suppliers of sophisticated instruments in these fields. Imports of products with advanced design have risen steadily in the last three years, and this trend is expected to continue for the next three. The rate of growth is estimated at 25 percent per year, with the U.S. share at about 25 percent of the $25 million total. Bombay and New Delhi will be the sites for February, with subsequent exposure of the catalogs in Calcutta and Madras. Robert E. Peterson, 202-967-3973.

Pro-In '76, International Design Engineering Conference and Exhibition. Duesseldorf. Feb. 21-25. This exhibition, the first of its kind in Germany, will feature components, materials and technologies. It is international in scope and is structured to reach a broad market. Included are: materials, shapes and forms, mechanical and power transmission components, fluid power — hydraulic and pneumatic, electrical and electronic power and control and joining systems and components. Don Schmadel, 202-967-2177.

Chemical/Petrochemical Processing Equipment and Instrumentation Exhibition. U.S. Trade Center, Mexico City. Feb. 23-27. The chemical/petrochemical industry is one of Mexico's most dynamic, growing at an annual rate of 15 percent. Between now and 1980, Mexico must invest $520 million per year in new plant and/or expansion programs to satisfy domestic demand for chemical products. This means heavy purchases of equipment and instrumentation. Aggressive U.S. firms should find excellent opportunities to initiate or increase sales in this expanding market. Participation is limited. Anita F. Brownstein, 202-967-4464.

Building Materials and Construction Equipment Trade Fair. Saudi Arabia. Feb. 23-28. Saudi Arabia is faced with the dilemma of how to modernize while still preserving traditional values. Its five-year development plan will inject about $100 billion into the economy and bring half a million foreign workers into the country. Specific goals of the plan are expanded health, education, and general welfare programs; construction of over 100,000 new homes per year; continued improvement in already established transportation, port, and communications infrastructure; accelerated development of industry, especially petroleum refining and petrochemicals, fertilizers and extraction and processing of mineral resources; and expansion of agriculture. Commerce is offering a uniquely integrated approach to these developments with a trade fair of 50 firms. Franc D. Manzolillo, 202-967-2515.

Business Equipment Exhibition & Seminar. Singapore Regional Trade Center. Feb. 24-27. The competitive regional market of Singapore, Malaysia, Indonesia and Thailand presents aggressive U.S. firms with lucrative sales opportunities. Imports of business equipment into Singapore alone in 1974 were $18.1 million, with some $4.9 million coming from the U.S. Participation is limited. J. Lee Barnes, 202-967-3893.

Timber Equipment Trade Mission to Philippines and Malaysia. Feb. 24-March 5. Philippine investment in wood processing plant is expected to exceed $100 million. To absorb the anticipated timber surplus in 1976, the country must build 7 new veneer mills, 8 plywood mills, 7 lumber product mills, 5 pulp mills and 2 specialized mills. West Malaysia is a principal market for woodworking equipment of all kinds, plywood and veneer processing, furniture, pulp and paper, construction and handicraft production. For information call Edward Oliver, 202-967-3749.

Industrial and Commercial Security Devices and Systems JEEP. Singapore Regional Trade Center. March. In Singapore and the regional market of Hong Kong, Indonesia, Malaysia and Thailand these products have high potential for sustained sales growth. The total Asian market for security related systems and devices is still relatively young; no one exporting country controls a major portion of the Far East market area. Therefore, aggressive U.S. firms with reliable products can enter this competitive market with very good opportunities for increasing sales. Participation is limited. J. R. Sousane, 202-967-3875.

Pollution Control Equipment Trade Mission to Brazil and Colombia. March. Market research for both countries indicates demand for air and water pollution control equipment, as well as for control, measuring, sampling and analyzing instruments. The Brazilian market for air pollution control equipment is expanding rapidly and is expected to reach $104 million in 1976. Wanda L. Ale, 202-967-4511.

Process Control Instrumentation and Equipment Exhibition. U.S. Trade Center, London. March 1-5. The United Kingdom, one of the world's most industrialized and technologically sophisticated nations, has a high level of demand for process control instrumentation and equipment. Sales of these products fluctuated between $165 and $176 million annually during the 1970-73 period. Products of American design continue to dominate the market and should supply a major portion of the $190 million in sales projected for 1978. For information call J. R. Crown, 202-967-2888.

Industrial Maintenance and Plant Operations Exhibition. U.S. Trade Center, Milan. March 2-6. Italy's need for a higher degree of mechanization of maintenance equipment, stricter enforcement of labor safety and accident prevention legislation and a recognition of the part that materials handling equipment can play in maintaining or increasing profit margins, point towards a successful exhibition. Commerce will launch an intensive promotion aimed at attracting major end-users not only in Italy but also those in surrounding countries. Exhibits will include noise analyzers, resuscitators, explosion protection systems, power sweepers, incinerators, dust collectors, trash compactors, fume and gas scrubbers, conveyors, work trucks, remote control devices, etc. Will run concurrently with and at the same location as the International Heating and Ventilation (H-VAC) Show. For information call Sam Spaulding, 202-967-4508.

Printing and Graphic Arts Equipment Exhibitions. Paris Trade Center, March 8-11; Stockholm Trade Center, March 16-19. Strong and growing demand for PGA equipment in France and the Scandinavian countries has been identified by market research. PGA equipment sales in France are expected to expand at an average annual rate exceeding 11 percent in the 1972-1977 period, reaching $264 million in 1977. Scandinavian demand for U.S. PGA equipment resulted in U.S. exports to the area in January-June 1975 at a rate of 17.6 percent above the $28.2 million total for 1974. U.S. producers should be active in these markets, where dependence on imports for PGA equipment runs as high as 80 percent. Charles M. Whitley, 202-967-5381.

Commercial and Industrial Security Equipment Trade Mission to Spain, Switzerland and Italy. March 8-22. The $50 million import market for security goods shared by these countries is expected to expand significantly with the coming European economic recovery and an increased concern for security, both personal and proprietary. Recent market research in these countries indicates high demand for products of the following nature: microwave, infrared and ultrasonic detection devices; identification and automatic checking systems; anti-shoplifting devices; safes, vaults and alarm systems. Don McDonough, 202-967-4918.

Ninth Cairo International Trade Fair. March 8-27. Economic activity in Egypt has greatly accelerated during the past two years and the investment climate continues to improve. Egypt has great potential as a regional economic center. A number of U.S. firms have expressed interest in participating in this event within an official U.S. pavilion, considering it an excellent opportunity to capitalize on commercial possibilities in Egypt and the Arab world. Invitations to participate are issued by the American Embassy, Cairo. General information is available from Bradley Tyrrell, 202-967-4304.

Microwave Technology Exhibition. U.S. Trade Center, Frankfurt. March 9-12. The U.S. is Germany's principal foreign supplier of all types of microwave products and our share of the overall market exceeds 40 percent. This exhibition will embody the complete engineering and product areas of the microwave industry which are: antennas, materials, passive components, semiconductors, solid state components, systems and subsystems, tubes and amplifiers, test instruments and equipment. A technical conference will also be included. Leslie Pierson, 202-967-2177.

AM-TECH '76. Exhibition of U.S. Business Machines, Computers and Graphic Arts Equipment. Ellerslie Race Course, Auckland, New Zealand. March 15-19. AM-TECH '75 attracted 5,300 registered trade visitors and resulted in immediate sales of $1.9 million. Irwin Nathanson, 202-967-2963.

Computer '76. U.S. Trade Center, Tokyo. March 15-19. The theme of this exhibition is computers and related equipment: general purpose digital computers and peripheral

equipment, and data transmission equipment. Call John Wolf, 202-967-2461.

Building and Construction Equipment and Supplies Catalog Exhibition. Honduras, Nicaragua, Panama. March 15-31. Catalogs and sales literature of U.S. companies will be shown to prospective buyers and agents in these three countries. Honduras, hit by Hurricane Fifi in September 1974, has earmarked $60 million for reconstruction and has identified $200 million of non-hurricane related projects. Nicaragua, in a construction boom following the 1972 earthquake, will spend $24 million on water systems, $20 million on sewage facilities, $40-50 million for seaport expansion and additional millions for construction of schools, hospitals, housing and commercial enterprises. Panama's ambitious capital development program includes projects planned for construction starts through 1977 valued at over $500 million. Major projects include development of energy plants, and facilities for tourism, health and education. Robert E. Peterson, 202-967-3973.

Materials Test and Quality Control Equipment Exhibition. U.S. Trade Center, Milan. March 23-26. Italy's extensive, sophisticated, manufacturing complex in the metal, mechanical, electro-mechanical and electronic product areas looks to the U.S. for advanced materials test and quality control equipment. Production, research and development engineers of Italian automotive, aircraft, railway, power generation, home appliance, machinery and electronic manufacturers and metal processors will attend. Non-destructive testing equipment; circuit testers; shock, vibration, stress measuring equipment; crack and seam testers; metallurgical test equipment; electron microscopes; and industrial x-ray equipment are among many items of special interest. Imports are estimated at $80 million annually. Philip Christenson, 202-967-4508.

Avionics and Ground Support Equipment. U.S. Trade Center, Mexico City. March 29-April 2. Mexico is substantially upgrading its air traffic control and airport equipment on a nationwide basis so as to have modern facilities with which to serve its growing tourist and commercial market. U.S. equipment is preferred by Mexicans, who are very familiar with American practice in this field. A technical conference will be included to enhance attendance. Ferenc Molnar, 202-967-2428.

Hospital and Medical Equipment Catalog Exhibit. Johannesburg and Cape Town. March 29-April 9. The import market in South Africa for pharmaceuticals, hospital and medical equipment totaled $86 million during the first 11 months of 1974, an increase of 23 percent over the 12-month level of $70.2 million in 1973. A number of hospital expansion projects are planned or are already under way. Nine new hospitals are scheduled for completion in Transvaal Province by the end of 1980. Before 1983 the Transvaal Provincial Authority plans to construct additional facilities for 2,250 beds in four locations. Robert E. Peterson, 202-967-3973.

Pollution Control Equipment Exhibition. U.S. Trade Center, Paris. March 30-April 2. French investment in pollution control equipment is substantial and growing fast. Rapid industrial expansion with its impact upon the environment has caused the French to examine their quality of life. Forecasts indicate that they will spend about $1 billion during the 1976-78 period in this area. American manufacturers and suppliers of equipment for the control of air and water pollution, sewage treatment and solid waste disposal can reach a broad audience of customers from French industry and government. George Ruffner, 202-967-4941.

Health Care Technology Seminars to Philippines, Taiwan and Korea. March 31-April 14. New priorities in public health, upgrading quality and quantity of medical services, establishing new hospitals, and preference for U.S. technology point to greater sales opportunities for U.S. companies. The proven format of seminars, chaired by a recognized authority in the medical field, is designed to assist U.S. companies in enhancing their technological credentials and consequently their export sales to these Far Eastern markets. Seminars comprise eight presentations covering the most important aspects of health care as identified by market research. Fred E. Crosley, Jr., 202-967-5285.

In-Store Promotion. Kendal Milne (House of Fraser), Manchester. April/May. Kendal Milne, a leading department store in the English Midlands and regional headquarters for the House of Fraser, largest retail group in the U.K., will stage a U.S. Bicentennial promotion in April/May. Store contact is Miss Ann Leuty, Kendal Milne, Deansgate, Manchester M60 3AU, U.K. U.S. buying office is Associated Merchandising Corp., Attn. Henry E. Miller, 1440 Broadway, New York, N.Y. 10018. Mollie Cleveland, 202-967-4705.

Telecommunications Equipment and Systems Exhibition. U.S. Trade Center, Sydney. April 5-9. In 1974-75 the estimated size of the Australian communications market was $305 million. In five years this market is expected to reach $468 million, averaging a growth rate of almost 9 percent. The U.S. accounts for 25 percent of the import market, which is growing at an annual rate of almost 13 percent. U.S. state-of-the-art equipment and technology is highly regarded but has not as yet been aggressively marketed in Australia. Irwin D. Nathanson, 202-967-2963.

Automotive Parts, Accessories and Service Equipment Exhibition. U.S. Trade Center, London. April 5-9. The British market for these is expected to expand at a significant rate during the next several years, as British motorists tend to keep their old cars longer and to maintain them better. Also, there is high public concern for highway safety and for a clean environment. Best market prospects are for engine and exhaust analyzers, brake testing equipment, portable jacks, mechanics' power tools, and electrical system parts. The U.K. market for diagnostic, maintenance and repair equipment exceeded $41 million in 1974, and is projected to reach $74 million in 1978, representing a 15 percent average annual rate of increase. William G. Jordan, 202-967-4541.

Security and Safety Equipment Exhibition. Frankfurt Trade Center. April 6-9. The German market for security and safety equipment is expected to reach $554 million by 1976. Excellent opportunities exist for American manufacturers since U.S. products are considered technically superior. Department and retail stores, as well as other industries in Germany, are continually on the lookout for newer and more sophisticated security and safety equipment. Best market prospects for safety equipment are the building trade, iron, metalworking, automotive, stone and clay industries. Robert Wallace, 202-967-3748.

Industrial Process Control Instrumentation Exhibit. U.S. Trade Center, Tokyo. April 19-23. It is estimated that this Japanese market by 1978 will reach $550 million, of which the U.S. share will be $57 million or approximately 10 percent of total consumption. Of total imports, $70 million for the year 1978, the U.S. share will represent 81 percent. Dan Chambers, 202-967-5751.

CONSTRUCTION USA '76—Construction & Building Machinery & Equipment Exhibition and Technical Symposium. Taipei. April 19-23. This event, mounted in response to requests by officials of the Republic of China Government, is aimed at exposing end-users to the latest in U.S. high-technology machinery/equipment/systems in these trades. Growth rate of the construction and building industry, 13.5 percent in 1974, is expected to reach 15 percent annually by 1977, a $50 million market. Thousands of new housing units are planned, and the high-rise ban has been lifted. Dave Horridge, 202-967-2798 or 5545.

Aircraft & Airport Development Technical Sales Seminar/Trade Mission to Venezuela, Ecuador and Brazil. April 19-30. Sales of U.S. avionics equipment to these countries (including all communications and flight instruments for civilian aircraft) topped $21 million in 1974, with an 88 percent increase forecast for 1975. Two of the three countries are petroleum exporters and have been benefiting from high international oil prices; a large part of their revenues is being devoted to infrastructural development, including aviation as a high priority sector. Airports in all three countries are now operating under severe pressures because of heavier air traffic. Market potential is greatest for sophisticated aircraft with larger load factors, automatic and semi-automatic electronic air traffic control systems, and instruments for all-weather flying. Call Jonnell Jacobson, 202-967-5285.

Food Processing and Packaging Equipment. Stockholm Trade Center, April 26-29; Paris Trade Center, May 4-7. Expanding demand for convenience foods and strong growth in export markets for Nordic specialty food products are expected to boost the Scandinavian market for food processing and packaging equipment from an estimated $290 million last year to $440 million by 1978. Imports supply over three-fourths of the region's requirements with direct U.S. sales projected to more than double, from $23 million to $54 million or a 15 percent share. Spurred by growing patronage of supermarkets, France's food processing industry is expected to increase outlays for relevant equipment from $434 million to nearly $600 million in the 1974-78 period. Imports are foreseen to increase even faster with more than a doubling in U.S. sales to about $20 million. The high regard for U.S. equipment, relatively greater price increases for European machinery and growing requirements for long-run, high-capacity equipment offer a bright sales outlook in both markets for U.S. manufacturers who may participate in one or both of these "tandem" exhibitions. William Beiring, 202-967-3276.

In-Store Promotion. Nouvelles Galeries, Paris. April 26-May 29. American Bicentennial promotion of a variety of U.S. consumer products. Special exhibits will be featured in many of the 60 participating stores throughout France. The U.S. buying office is SONAC-Nouvelles Galeries, Attn. Bernard Chene, 11 W. 42nd St., New York, N.Y. 10036. Mollie Cleveland, 202-967-4705

Advanced Welding Equipment JEEP. U.S. Trade Center, London. April 27-29. Good sales prospects exist for this equipment in the U.K. market, particularly in the expanding offshore petroleum, nuclear power and aerospace sectors. Among products of special interest to British buyers are plasma arc, electron beam, laser and ultrasonic welders. U.S. exports to the U.K. are increasing at a rapid rate now that American welding equip-

ment, long known for its technological superiority, is price competitive. William G. Jordan, 202-967-4541.

Materials Handling Equipment and Systems Trade Mission to Morocco, Ivory Coast and Zambia. April-May. Some $50 million worth of materials handling equipment and related systems is expected to be imported by these three African nations over the next few years. With obstacles to non-EEC imports being reduced and growing activity in freight, mining, timber, agricultural and manufacturing sectors in all three countries, new demands for materials handling equipment will be necessary elements for continued economic development. Bill Bushwaller, 202-967-4511.

Printing and Graphic Arts Trade Mission to Australia and New Zealand. April-May. Recently conducted market research in Australia indicates a favorable market there for American manufactured printing presses, phototypesetting and composition machines and systems, platemaking equipment, scanners, color separation systems and densitometers. Opportunities in the New Zealand market are expected to be similar to those in Australia. Edward Oliver, 202-967-3746.

In-Store Promotion. David Jones Ltd., Sydney. May. David Jones Ltd., the largest department store chain in Australia, will stage a major promotion of U.S. consumer products. Eighteen of its stores throughout the country will feature a wide variety of U.S. goods, plus special exhibits and attractions. U.S. buying representatives for David Jones are: R. W. Cameron & Co., 420 Lexington Ave., New York, N.Y. 10017; and Frederick Atkins Inc., 117 West 9th St., Los Angeles, Calif. 90015. Mollie Cleveland, 202-967-4705.

Electronic Production and Test Equipment. U.S. Trade Center, Frankfurt. May 4-7. The German market for electronic production and test equipment is expected to reach $343 million by 1977. Excellent opportunities exist for American manufacturers since U.S. products are considered technically superior. Also, the German market is too small to warrant local manufacture of highly specialized computer-controlled production and test equipment. As a result German manufacturers are continually on the lookout for new and more sophisticated equipment. Best market prospects are communications equipment, cleaning equipment (ultrasonic and plasma), and entertainment products. Don C. Schmadel, 202-967-2177.

Industrial Education and Vocational Training Aids Exhibition. U.S. Trade Center, Mexico City. May 10-14. The Mexican Government and around 8,000 enterprises throughout the country are looking for ways to upgrade training and technical skills of the work force. Rising wage scales and competitive world market conditions are causing employers to turn to modern teaching methods of improving worker efficiency and productivity, and U.S. procedures are highly regarded. Walter Bastian, 202-967-3636.

Business Equipment and Systems Catalog Exhibit. Hong Kong and Philippines. May 10-21. In both of these markets the number of commercial establishments is increasing. Rising costs are stimulating interest in modern, efficient office practices, equipment, and systems. U.S. equipment enjoys an excellent reputation and strong market position. To keep ahead of aggressive competition from other countries, American firms need to increase awareness of their availability in these markets. Robert E. Peterson, 202-967-3973.

Computers, Related Equipment and Systems. EDP 76, U.S. Trade Center, Milan. May 11-15. U.S. exports of computers and related equipment to Italy are expected to increase by as much as 20 percent annually in real terms through 1977. The total market for computer equipment in Italy reached about $450 million in 1974, with imports accounting for about $250 million. U.S. exports and products of overseas subsidiaries of U.S. companies hold a dominant position in the Italian computer market. Don Mathes, 202-967-3957 or 2434.

American Furniture Show. U.S. Trade Center, Tehran. May 16-20. There is an excellent market opportunity for manufacturers of hardwood, residential furniture in Iran. High-quality, elaborate office furniture and institution furniture will also find good opportunities. Ministry of Economy estimates show a rapid growth for furniture imports: residential furniture imports will grow from $7.9 million in 1975 to $27.3 million in 1977 and $49.1 million in 1980 while total imports grow from $16.5 million in 1975 to $39.5 million in 1977 and $65.9 million in 1980. Manufacturers of woodworking machinery that increases efficiency and upgrades quality in furniture manufacturing will also find a good market. Jack P. Orlando, 202-967-2952.

Toys, Games, and Hobbycraft Exhibit. U.S. Trade Center, Tokyo. May 17-21. The United States is presently Japan's largest single foreign supplier of toys, games, and hobbycrafts, with 40.6 percent of a total import market valued in 1974 at some $70 million. By 1977 total imports are projected to increase by nearly 30 percent over current levels. Larger disposable income and increased leisure time have created demand for imaginative, high quality, and sophisticated products of the sort produced by many U.S. manufacturers. The market for hobbies and crafts, especially, enjoys good sales potential, as Japanese manufacturers have virtually ignored it. John F. Whiteley, 202-967-2426.

Agricultural Machinery and Equipment U.S. Solo Exhibition. Caracas. May 17-22. The U.S. has a 60 percent share of the Venezuelan market for agricultural equipment and machinery, estimated at $63 million in 1974 and expected to grow 25 percent in 1975. This event is designed to take advantage of Venezuela's quest for self-sufficiency in food, especially grains and meat products, as the government programs surplus oil revenues for rural roads, irrigation systems and commodity storage facilities. A full range of on-farm equipment such as agricultural machinery, implements, grain cleaning, drying, storing, crop spraying, land irrigation, draining and poultry and dairy farm equipment is desired. Stephen F. Hall, 202-967-4832.

Petrochemical Equipment & Processes. Budapest International Spring Fair. May 19-27. The petrochemical industry has consistently enjoyed the highest growth rate of all industrial sectors in Hungary. A large percentage of investments in this industry have been spent on imports from the West. Jim Robb, 202-967-4810.

Laboratory Instruments Exhibition. U.S. Trade Center, Taipei. May 24-28. There is a rapidly growing market in Taiwan for laboratory and scientific instruments required to conduct research and development, with the emphasis on industrial and applied research. Total R&D expenditures, estimated at $35 million in 1974, are expected to reach $56 million by 1979. The prime market is for instruments and apparatus related to: petrochemicals and plastics, electronics, steel and shipbuilding, nuclear power, agriculture, fishing, oceanography and military applications. Peggy Kelleher, 202-967-4227.

Textile Machinery & Fiber Technology, INGLEGMASH-76. Moscow. May 25-June 8. Modernization of the Soviet textile industry is resulting in large imports of specialized textile machinery and fibers' technology. In the current 5-year period, production of knitted goods is planned to grow by 50 percent and some chemical fibers by 8 percent. Continued growth in these areas under the next 5-year plan offers increased opportunities. Dick Bell, 202-967-5163.

MESUCORA (Instrument-Automation) Trade Fair. Paris. June 10-17. Long-range plans for industrialization coupled with current heavy demands for process control instrumentation, automation systems, test and measuring equipment, industrial process and data handling computers, and nuclear instrumentation in France and the rest of Europe, offer bright prospects to U.S. manufacturers. MESUCORA, held only once every three years, has proven highly successful for participating firms. At the last show in 1973 the 1,339 exhibiting companies reached over 48,000 trade visitors. John Bodson, 202-967-5381.

Communications Equipment. U.S. Trade Center, Mexico City. June 14-18. Mexico's communications equipment needs present an excellent market for U.S. manufacturers, especially in the fields of fixed and mobile two-way radio, CCTV, repair, maintenance and calibration instrumentation. Prospects are also excellent for suppliers of broadcast equipment, both radio and television, as well as professional motion picture equipment. A technical conference will afford the opportunity to discuss latest industry developments with Mexican decision-makers. Fred Tower 202-967-2313.

Plastics Industry Manufacturing Equipment and Materials—PLAST 75. Milan. June 20-26. At this largest international plastics industry event in 1976, more than 800 exhibitors will attract an enormous trade audience from throughout Europe and most other areas. Philip Christenson, 202-967-4508.

Clean Air and Water Exhibition. U.S. Trade Center, Sydney. June 21-25. The Australian pollution control market, currently valued at $85 million, is expected to grow at a rate of 9 percent. The U.S. accounts for 40 percent of the import market, which is expected to grow at a rate of 7 percent. Irwin D. Nathanson, 202-967-4957.

Machine Tools, Metalworking and Shipbuilding Exhibition. Bilbao, Spain. June 21-24. Spain is expecting to achieve a 3 percent rise in GNP in 1976, partly due to its expanding metalworking-finishing industries where the current import market is estimated at some $90 million. Included are the most advanced classes of electrical-discharge and electro-chemical machines, numerical and computer-controlled machines, and all classes of multiple operation and automatic and semi-automatic machines. Local manufacturers are now looking for large automated equipment which is superior to European equipment; flexibility and productive capacity are more important than price. Roger Turner, 202-967-3957.

Electronics Industry Production and Test Equipment Exhibition. U.S. Trade Center, Taipei. June 28-July 2. The highly developed and once again expanding electronics industry in Taiwan seeks the most up-to-date electronics production and test equipment. This exhibition will feature a broad range of production, test, assembly and quality control instrumentation and equipment. Most of the 900 plus electronics firms in Taiwan are oriented toward the U.S. market and exhibitors at this event will find large numbers of buyers already attuned to American production techniques. In 1974 Taiwan exported US$903 million worth of electronic products. Space is limited. Dave Horridge, 202-967-2798.

Licensing, Investment Abroad

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

GERMANY—Manufacturer of **controlling and testing devices** for research institutes seeks licensing arrangement for production of similar equipment for research laboratories in chemical, petrochemical, paper, food and pharmaceutical industries. Firm desires to expand production. Established 1932. Ernst Haage, Apparatebau-Laboreinrichtungen, Hauskampstrasse 58, 433 Meulheim/Ruhr. P-75732.

1455, 1459—SOUTH KOREA—Seeks U.S. joint venture partner to establish modern plant to **refine kaolin, silica stone and pottery stone** for export from Korea. Proposed plant would cost about $1 million and would refine raw ore into 300 to 325 mesh with a monthly capacity of 3,000 to 5,000 metric tons. U.S. partner would furnish $500,000 worth of plant facility and latest technical know-how. Rock crushers, grinders, sieves and metal separators would be imported for plant. Firm claims that it owns 30 different mineral sites and that it produced and exported $1 million worth of unrefined ore during 1974. Firm was established in 1964 and has 500 employees. M. Kim, Trade Manager, Dae Myung Co., Ltd., KPO Box 560, Seoul 110. Cable, DMKAOLIN SEOUL; telephone, 74-1370. WTDR. P-75738. OPIC.

2082—NIGERIA—Firm wishes to **import** beer and eventually produce it locally under joint venture arrangement. Samuel Renner, Managing Director, Samuel Renner Administration International, P.M.B. 1373, Ikeja, Lagos. P-75736. OPIC.

2211, 2300—IVORY COAST—Large, integrated **cotton textile mill** seeks foreign partner for expansion. Present activities include spinning, weaving, printing, dyeing and manufacture of garments, table cloths, sheets, bedspreads. Seventy-three percent of production is marketed in Ivory Coast, remainder in other West African countries and France. With expanded production, company hopes to penetrate EEC. Established in 1921, firm has 3,000 employees. Contact Nicolas Stauffer, General Manager, Ets. R. Confreville, B.P. 584, Bouake, or Kouakou Koffi, Representative, International Bank for Commerce and Industry of the Ivory Coast, c/o Bank of America, 41 Broad St., New York, N.Y. 10004. P-75737. OPIC.

2542—JAPAN—Manufacturer of wire cloth, wire meshes, cages, and other wire products, is seeking U.S. license for manufacture in Japan of **display shelves** to be used in super markets. Established in 1949, firm employs 170, has annual sales of $10 million, operates three factories throughout Japan. Each factory has modern equipment for wire drawing, processing, welding, plastic coating, and other finishing. Firm is associated with Tokyo Rope Mfg. Co., Ltd., largest manufacturer of steel wire ropes, etc. in Japan. Hiroshi Fujikata, Director and General Manager of Business Department, Sango Co., Ltd., 649 Toriyamacho, Kohoku-ku, Yokohama 222. P-75744.

2599—GERMANY — Firm seeks licensing arrangement to produce **hospital beds** of metal tubing or stainless steel. Company presently manufactures complete line of high capacity kitchen equipment for hotels, hospitals, self-serving restaurants, schools. Firm employs 90. G. P. Leppert, Business Manager, Wendel Baumeister, Sohn KG, P.O.B. 213. Industriegebiet Saline, D-7210 Rottweil. Telex 762828; telephone, 0741/7087. P-75746.

2621—THAILAND—State-owned **paper mill** plans to expand daily production capacity from 40 to 60 metric tons. Offers U.S. investor equity and management participation in return for capital and technical assistance. Interested firms should write: Soonthorn Sansiriphan, Director, Bang Pa-In Paper Mill, Bangkok. WTDR. P-75741E. OPIC.

2819, 2834, 2864 — GERMANY — Seeks licenses and related technical know-how to manufacture **organic and inorganic chemicals and pharmaceutical products.** Established in 1946, firm employs 35, has nominal capital of DM 1,200,000, belongs to well known Suhr group in Luzerne which operates subsidiaries in Belgium, Netherlands, Great Britain, and Ireland. Albert Lomberg GmbH, Heerstr. 27, 433 Muelheim. P75731.

2841, 2844—TURKEY — Seeks technical know-how to produce **soaps, detergents, toothpaste and cosmetics** for local consumption. Some raw materials are available in Turkey while others will need to be imported. Firm started production in 1949, currently makes toilet, shaving and medicinal soap (50 tons/day), detergents (10 tons/day), and mechanical cleaning powder (15 tons/day). Tuncer Taciroglu, Puro Sabun Sanayi A.S., Zincirlikuyu Caddesi 49, Levent, Istanbul. P-75740. OPIC.

3079, 3732—UNITED KINGDOM—Current manufacturer and distributor of retail tents, camping equipment, leisure clothing, workwear, industrial tarpaulins, p.v.c. sheeting, is interested in complementing its range of products. Seeks introduction to suitable U.S. companies interested in joint venture undertakings. Particularly interested in contacting manufacturers of **industrial, portable frame buildings with p.v.c. coverings, conveyance systems** used in hospitals for collection of soiled linen utilizing **plastic linings/bags,** and small **fiberglass pleasure boats.** Representative in U.S. through Nov. 15. John R. Patrick, Director, Black & Edington Ltd., Bishop Works, Almuree St., Glasgow G32 7SL, Scotland; telex, 77395; telephone, 041-778-5461. Contact Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. Telephone, 202-967-3786. P-75724.

3300—GERMANY — Firm seeks licensing arrangements for production in Germany of high-quality, new-in-market **supplies for steel mills and foundries.** Established in 1963, employs 4 plus 15 sales agents. Ludwig Schmidt, Owner/Manager, Ludwig Schmidt Rohstoffhandel, 43 Essen, Reuttenscheider Str. 108. P-75748.

3315—UNITED KINGDOM—Organization seeks U.S. products to manufacture under license in the fields of **domestic, horticultural and industrial wire products.** Organization is sponsored workshop employing 200, with 4 salesmen. Most of employees are partially handicapped or blind employed in manufacture of domestic wire products (bottle and shoe racks, space-saving self baskets, lawn and patio furniture). Also markets branded products through national wholesalers, specialty chains and department stores. S. W. Wood, Sales Manager, Lothian Regional Council, Craigmillar Works, 2 Peffer Place, Edinburgh EH16 4BN, Scotland. P-75745.

3400—UNITED KINGDOM—Manufacturer of stainless steel containers for brewing and chemical industries and aluminum fabricators seeks licensing arrangement for products manufactured in **stainless steel or aluminum** for **ferrous and non-ferrous metal products requiring pressing of fabrication.** Company is member of the Fairey Group of companies whose products range from aircraft and nuclear equipment to filters and valves, with factories throughout U.K. and Belgium. M. J. M. Dainty, Director, Fairey Stainless Ltd., Kingsway North, Team Valley, Gateshead NE11 0IR, England. P-75735.

3494—BELGIUM—Manufacturer of variety of valves and regulation loops interested in representing manufacturer of **ball valves and hermetic butterfly valves.** Company presently supplies its equipment to major oil, petrochemical and chemical firms in Benelux countries. Reports annual sales of $1.5 million, meploys 60. For further information: Charles Winterbeeck, Consulate General of Belgium, Industrial Section, 50 Rockefeller Plaza, Suite 1104, New York, N.Y. 10020. Telephone, 212-586-5110 P-75734.

3496—UNITED KINGDOM — Large company, manufacturers of fabric and metal mesh for papermaking, woven wirecloth, non-ferrous wire and wire products, seeks license for manufacture of related products for which they have skills. Would include continuous **casting of alloys; wire drawing, milling and shaping; weaving of metals and fabrics,** and **production of sintered metal components.** Employs 1,000. R. Brereton-Smith, Group Marketing Executive, United Wire Group Ltd., Granton Park Ave., Edinburgh EH5 1HT, Scotland. P-75726.

3532—GERMANY—Seeks licenses to manufacture **non-track mine vehicles, coal, rock, other mineral tunneling equipment, and other modern, efficient mining machinery.** Firm produces and markets diesel locomotives for underground and surface mining, conveyor-belt pulleys and industrial water pressure cleaning equipment; wants to expand production and sales. Company employs 200 and has long established contacts with prominent American manufacturers. Ruhrthaler Maschinenfabrik Schwarz & Dyckerhoff K.G., 433 Muelheim, Scheffelstrasse 14-28. P-75742.

3559—UNITED KINGDOM—Seeks license

to manufacture any type of **special purpose plant or machinery.** Would include materials handling and processing equipment for chemical, fertilizer, cement, steel, rubber or paper industries. Company presently fabricates storage hoppers and tanks, paper-making machinery, riveted vessels and chemical and cement machinery. Firm has machine and fitting shops and its own foundry. Employs 200. M. J. Banbury, Managing Director, G. P. Banbury Ltd., P.O. Box 99, Factory Lane, Croydon CR9 3DR, England. P-75723.

3569—INDIA—Filter manufacturer wants to expand product line. Seeks license to manufacture **rotary, clean bench, HEPA, aviation, air conditioning ventilation and diesel locomotive filters.** Plans to produce about 25,000 filters annually in these categories. Presently makes filters used in air conditioning, pharmaceutical equipment, pipelines, sterile room conditions and compressed air plants. According to Indian firm, domestic demand for filters is expected to increase in the next several years. N. S. Loomba, Executive Director, Tenacity Filters Private Ltd. (TF), 21/6 Hadapsar Industrial Estate, Hadapsar, Poona 411 013. WTDR. P-75719. OPIC.

3589—AUSTRALIA—Seeks license to manufacture **sewer and drain cleaning equipment.** Is subsidiary of large company with eight plants in Australia and New Zealand. Firm also has established sales network. K. H. McConville, General Manager, Springs (Pty) Ltd., Box 2125, P.O. North Parramatta, N.S.W. 2151. P-75722.

3589—GERMANY—Seeks license to manufacture **pneumatic garbage and refuse transportation and burning systems for use in hospitals and other institutions.** Firm presently makes mining equipment, wants to expand operations. Employs 90, has sound reputation. Kurt Haverkamp GmbH & Co., Postfach 32, Heerstr. 74, 468 Wanne-Eickel. P-75728.

3674—HONDURAS—Seeks license to produce **television receiving sets, radios and small calculators** on drawback basis. Honduran firm manufactures and assembles electronic circuits for radio and television sets. Enjoys excellent reputation. Alberto Wolozny, Owner and Manager, Nacional Electronica S. De R. L., P.O. Box 302, San Pedro Sula. Cable, WOLOZNY; telephone, 520854 or 521082. P-75727. OPIC.

3679—UNITED KINGDOM—Seeks license to produce **electronic assemblies, cable forms, sheet metal fabrications in all contents, printed circuit board wiring and complete electronic systems to customers' specifications.** Seeks arrangement whereby British firm would manufacture American licensor's products in whole or part and deliver to licensor's marketing organization. British concern is involved in sheet metal fabrication, electron beam welding, toolmaking and electronic and mechanical assembly. Reports annual sales of $1.3 million, employs 200. D. P. Vincent, Managing Director, Southborough Group Ltd., Abbot Close, Oyster Lane, Byfleet, Surrey, England. WTDR. P-75720.

3714—ECUADOR — Firm seeks license to manufacture motor vehicle **shock absorbers.** Company manufactures metal buildings and metal furniture. Ecuador's Industrial Promotion Law provides certain tax benefits to manufacturers of shock absorbers. Company employs 150, reports annual sales of almost $1 million. Dr. Juan B. Fierro, Ferrotecnia, Avenida 12 de Octubre 748 y Patria, Quito. P-75725.

3792, 2451—BELGIUM—Manufacturer of **trailers and mobile homes** seeks joint venture arrangement, or would consider acquisition by U.S. firm. Company has sales organizations covering Belgium, France, Germany, Italy and Netherlands. Employs 50, reports sales of more than $2 million. Contact Charles Winterbeeck, Consulate General of Belgium, Industrial Section, 50 Rockefeller Plaza, Suite 1104, New York, N.Y. 10020. Telephone, 212-586-5110. P-75733.

3800—UNITED KINGDOM—Seeks licenses to manufacture **scientific equipment for education and industry and mechanical, electronic or electrical production engineering test equipment.** Presently, company produces and sells educational equipment, special electrical and electronic apparatus, jigs, tools and fixtures and special-purpose engineering machinery. Its markets include Europe, Far East and Africa; reports annual sales of $2.67 million. R. Body, Director, Irwin-Desman Ltd., 294 Purley Way, Croydon, Surrey, CR9 4QL, England. P-75743.

3822—GERMANY—Seeks licensing arrangement for production of **hydraulically-operated temperature process control instruments.** Firm is especially interested in input and output transmitters and hydraulic controllers. Presently manufactures similar instruments, would like to expand production. Established in 1960; employs 200. GST-Regeltechnik GmbH, Postfach 2068, 463 Bochum. P-75730.

3949 — SWEDEN — Firm seeks licensing arrangement for manufacture and distribution of its **"Multi-Golf Course."** Multi-Golf Course has three main parts: course itself, small obstacle, large obstacle. Designed for indoor locations, it covers about 24 square meters. Is suitable for hospitals, hotels, rest homes, recreational centers, sport halls, golf clubs, or any institution where space is at premium. Total length of course, including green and teeing-off area, is about 7.5 meters (24′ 6″); approximately 0.9 meters (2′ 11″) wide. Width of green about 1.7 meters (5′ 7″), and of teeing-off area 1.2 meters (3′ 11″). Course is equipped with felt mat and has aluminum frame. Multi-Golf Course can be plugged into any convenient wall outlet. Transformer reduces current from 240/220/110 volts to 24 volts. Interchangeable control cards are supplied. Company is engineering firm specializing in development and marketing of various new inventions. Firm's products are marketed in Sweden, France, Norway, Finland, Japan and U.S. Established in 1971; annual turnover at present is $2 million. P. G. Axdahl, Inventor Invest AB, Prastgatan 42, S-831 00 Ostersund. Telephone, 063/12 72 70. P-75729.

7011—INDIA—Collaboration is sought with U.S. motel chain to establish **1,000-room moderate-price motel and convention center** on 25 acres of land near Bannerghatta National Park in Bangalore. Technical assistance is desired, financing available. M. V. Krishna Murthy, Manju 105, Gandhi Bazaar, P.O. Box 421, Bangalore 560 004. Cable, TAMINTEL; telephone, 63963. P-75739. OPIC.

Liberia Revises Earlier Bid

Liberia has withdrawn a recent bid announcement for a radio network in order to permit writing of specifications for a larger project as follows: 30 mobile VHF transceivers; 16 base station VHF transceivers; 3 base station HF/SSB transceivers; 14 phone patch units with VOX; installation materials, labor and transportation; and maintenance contract for one year. Bidders on the first advertisement can request revised specifications free of charge. Documents are available to other prospective suppliers for $2 from Afro-American Purchasing Center, Inc., One World Trade Center, Room 1271, New York, N.Y. 10048.

Indian State Seeks U.S. Firms' Collaboration On 15 Projects

P. L. Masilamani, Development Officer (Business Development), State Industries Promotion Corporation of Tamil Nadu (SIPCOT), Meco House, 11-A/1 Anna Salai, Madras 600002, wishes to be contacted by U.S. firms interested in technical/financial participation in 15 projects. Sponsors of the projects have already obtained approval in principle from the Government of India and clearance for foreign participation. SIPCOT's mission is to accelerate development of medium and major industries in the State of Tamil Nadu, especially in underdeveloped areas. SIPCOT assistance includes project profiles, obtaining government clearances, site location guidance and entrepreneurial advice. The projects are:

Lighting arrestors (69,000/year); rubber apron bands (45,000/year), also tennis balls; water well and black hole rigs (100/year); rubber banded metal auto parts (500,000/year); gaskets (20 million/year); textile spindles (240,000/year) and bolster insert combinations (360,000/year); glow lamps (6 million/year); spur gears, bevel gears and sprockets (6,500 tons/year); fiberglass (2,000 tons/year) (two separate projects); synthetic rubber cots and aprons (200,000 meters each/year); open end spinning machines (118/year); tungtsen carbide for cutting tools (50 tons/year); shock absorbers (500,000/year); and insoluble sulfur (4,000 tons/year). Interested firms should write Mr. Masilamani at the above address. Investments in India are eligible for OPIC insurance. P-75747.

USSR Buying Agency Seeks Equipment For Moscow Center

The Soviet Union's Kama Purchasing Commission in New York was recently authorized to purchase equipment in the United States for construction of the planned International Trade Center in Moscow. The center will contain office space for about 1,200 representatives and employees of 200 to 300 foreign firms accredited in Moscow, two hotels with a total of 1,225 rooms, a 2,000-seat congress hall, a 500-seat cinema and concert hall, conference rooms, an exhibition pavilion, domestic and international communications facilities, athletic facilities, restaurants, libraries, an underground garage for 600 cars, and retail shops.

Occidental Petroleum Co. is to design and construct the center, with the Bechtel Corp.

Kama wishes to purchase the following types of materials and equipment for the center: construction steel, communications systems, fire protection system, water supply and plumbing systems and fixtures, lighting, compressors for air conditioning and heating, elevators, and kitchen and restaurant equipment.

Inquiries should be addressed to: Kama Purchasing Commission, 767 Fifth Ave., New York, N.Y. 10022; phone, 212-593-2600.

Licensing Sought In Italy

A major electronics manufacturer has 50,000 square feet of manufacturing, assembly, warehouse, general support and office space available in its modern Italian plant. The firm offers broad capability, and seeks a licensing arrangement for manufacture and/or assembly of the licensor's products. Interest is not limited to electrical or electronics areas; production of unrelated items will be considered. Write: P.O. Box 765, Radio City Station, New York, N.Y. 10019. All proposals will be held in confidence.

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Division, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Anthracite

1111XXX—1211XXX — UNITED KINGDOM—Anthracite of all grades; bituminous coal and lignite including metallurgical coal. Subject firm is a solid fuel factor, importing and exporting throughout Europe. At present time it is particularly interested in U.S. supplies of metallurgical coking coal. Wm. Reid (Altrincham) is partnership organization founded in 1902. It has 4 employees, 1 salesman and annual sales volume of 5 million pounds. Reply to E. J. Keen, Partner, Wm. Reid (Altrincham), 10 Lloyd St., Altrincham, Cheshire WA14 2DE. Tel: 061-928-2871; telex 669385.

Building construction

• **15100—NIGERIA**—Tender for construction of Hospital Theatre Block (East and West Wings) invited by University College Hospital, Ibadan. Details obtainable for non-refundable deposit of 100 nairas payable to Chief Accountant of the Hospital. Tenders must be completed and submitted in sealed envelope marked "Confidential—Tender for Construction of Theatre Block East and West Wings" and addressed to House Governor, University College Hospital, PMB 5116, Ibadan, before Nov. 29. Contractors must be registered with Federal Ministry of Works in categories "C" and "D" and in "I" and "J" categories in Western State.

• **15100—WEST INDIES**—The Government of Dominica invites submission of prequalification data from interested contractors in connection with construction of Urban Working Class Housing Project at Bath Estate, Roseau, Dominica, consisting of 194 low-income houses with areas approx. 400 square feet each, with loan from Caribbean Development Bank (CDB) utilizing U.S. AID funds. Prequalification data submitted for consideration should include: 1) firm's experience and record on similar job requirements; 2) firm's capabilities as to size, efficiency and financial situation; 3) availability of equipment. Only contractors whose principal place of business is in United States or CDB member country eligible to bid. Consideration will be given to award of contracts in multiples of 15 houses and/or for entire project of 194 houses. Some materials/fittings for project being procured by the House Authority and schedule of these items would be available to tenderers at appropriate time. Prequalification data should be forwarded in sealed envelopes and addressed to Chairman, Joint Committee, Urban Working Class Housing Project, Bath Estate, Roseau, Dominica, W.I., by Nov. 30. Copy to be forwarded to Caribbean Development Bank, P.O. Box 408, Barbados, West Indies.

• **15100—WEST INDIES**—Development and Finance Corp. (DFC), St. Kitts, invites interested contractors to submit prequalification data for tender involving construction of industrial factory building at Ponds Pasture, St. Kitts. Project will include construction of concrete foundations, concrete block walls, concrete floor, and sanitary facilities, and erection of prefabricated steel frame building 100 ft. x 200 ft. supplied by DFC together with roofing and rain water goods; provision of utilities; and external works including access road, drainage, landscaping, etc. Project estimated to cost about US$250 000 and will be financed by DFC from Caribbean Development Bank loan utilizing U.S. AID funds. Consideration limited to firms or joint ventures of firms whose regular place of business is in United States or CDB countries. Interested firms that have undertaken comparable work should submit full information to Manager, Development and Finance Corp., P.O. Box 249, Basseterre, St. Kitts, West Indies, with copy sent to Caribbean Development Bank, P.O. Box 408, Wildey, St. Michael, Barbados, West Indies, no later than Dec. 1.

Heavy construction

• **16200 — COLOMBIA** — Corporacion Electrica de la Costa Atlantica (The Electric Corporation of the Atlantic Coast), Calle 40 No. 44-39, Piso 2, Barranquilla, Colombia, interested in receiving proposals for construction and mounting of 110-kv (one circuit) transmission line between Ternera substation in Departmento (State) of Bolivar and town of Toluviejo in Deparmento of Sucre in northern Colombia. Proposals should include design, manufacture and installation of concrete structures. Specifications (Licitacion Publica Internacional C-031) available for 3.000 pesos or US$90 for first copy and 1,500 pesos or US$45 for each additional copy. Bid deadline Dec. 15. Will be financed with funds of Corporacion Electrica de la Costa Atlantica.

Public building, related furniture

• **25310 — HONDURAS** — Unidad del Proyecto Educacion Go/BIRF/AIF 954/452, Proveeduria General de la Republica de Honduras, Calle Morelos No. 310, Apartado 177, Tegucigalpa, has issued tender No. 34-75 for purchase of school and administrative furniture, including school desks, chairs, benches, storage cabinets, tables, teachers' desks, etc. Bid deadline Dec. 1. Tender financed with IBRD/AID Loan No. 954/452. Copy of specifications available from above address for $12.50 per set.

Converted paper, paperboard products

26461XX—KENYA—Pitch fiber pipes for sewer & drainage. Interested suppliers should send detailed quotations, incl. both f.o.b. & c.i.f. Mombasa prices, delivery terms, form of payment, validity, offers. Seeks dir. purchases for resale, & excl. distr. Large retailer & distr. in Mombasa with branch in Nairobi. Imports, retails & distrs. various types of bldg. materials. Distr. channels excellent. Well regarded & a major firm in this market. Reply to—Mr. Y. A. Mamujee, Dir., Mamujee Bros. Ltd., Mogadishu Road, P.O. Box 90600, Mombasa. Cable: Mamujibros; tel 24848.

Steel mill products

• **33100—CHILE**—Various sizes and quantities of steel plates for pipeline for hydroelectric project. Tender No. 267/OC-CH; bid deadline Dec. 2. Empresa Nacional de Electricidad (Endesa) S.A., Santa Rosa 76, Santiago. Specifications available from Endesa S.A. Dept. Ingenieria Civil at above address for $300.

• **33100—GHANA**—3,820 lin. ft. steel pipes in various sizes and 20 ft. lengths, plus mechanical couplings. Cast iron pipe joints, bends, tees, allied fittings and accessories in wide size range. Tender No. MS/4; bid deadline Dec. 19. Ghana Water and Sewerage Corp., Accra/Tema Water Supply Project, P O. Box 1840, Accra. Project financed with IDA credit and loan from African Development Bank. Tender documents available from above address for $50.

• **33100—WEST INDIES**—Supply of structural steel for 20 000 sq. ft. industrial building. Tender No. 1923; bid deadline Dec.1. Development and Finance Corp., 7 Church St., Basseterre, St. Kitts, West Indies. Tender documents available at above address for $12.50 (non-returnable).

• **33100—GHANA**—7,200 rails, 40′ long, and 800 rails, 39′ 8″ long, of open hearth basic steel to British standard specification B S. 80A or 90A flat bottom, holed both ends as per British Brown agents specification No. 12 of 1953 and B S S. No. 11 of 1959. No bid deadline indicated. Yellowcab (Ghana) Co. Ltd., P.O. Box 4030. Accra. Details and tender documents available at above address.

Rolling, drawing, & extruding of nonferrous metals

• **33500—NIGERIA**—Supply of cables and cabling materials. No bid deadline. Office

of Controller of Stores, Room 42, Department of Posts and Telecommunications, Tafawa Balewa Sq., Lagos. Details available at above address for 100 naira.

Special industrial machinery

● **35510—GREECE**—Tomato processing unit to produce tomato paste and peeled tomatoes with processing capacity of 1,200 metric tons fresh tomatoes daily and approximately 6,000 tons peeled tomatoes per hour. Customer: Panhellenic Confederation of Unions of Agricultural Cooperatives (PASEGES), 56 Eleftheriou Venizelou St., Athens. Tender is held by PASFGES for account of Cooperative Plants of Industrial Development of Thrace. Bids should be accompanied by bond equal to five percent of bid value. Bid bond will be released when contract awarded. Lowest bidder must deposit performance bond equal to 10 percent of contract value. No tender number. Bid deadline Dec. 8. Project financed by own funds. Tender documents available in Greek only. One copy expected to be available for viewing in Room 2808, Transportation and Capital Equipment Division, BDC, OBRA, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5566. Additional copies available from PASEGES at above address.

● **35510 — INDONESIA** — Supply of equipment for rehabilitation of palm oil mill, details to be found in tender documents available for rupiah 60,000 (U.S.$145.50) per set from: PNP VI, Jalan Tanjung 37, Jakarta. Tender number: PNP VI/02/75. Bid deadline Dec. 4. Financed by World Bank.

Service industry machines

● **35890—PERU**—Ministerio de Industria y Turismo, Direccion Ejectuiva del Plan Copesco, Av. Arequipa, 340, of. 607, Lima, is requesting catalogs, price lists and other information on hotel equipment and supplies for COPESCO project, which is building various tourist hotels in Cusco-Puno area, southern Peru, with 200 to 500-bed capacity each. COPESCO project financed with loans of Interamerican Development Bank.

Household appliances

36300 — GHANA — Major household appliances, including refrigerators, freezers and air-conditioners; 220 v. Government-owned tourist promoter seeks consolidated purchasing arrangement for planned expansion of duty-free sales organization. Firm has monopoly on duty-free stores in Ghana. Reply to Owusu-Ahrin, Chief, Commercial Dept., Ghana Tourist Development Co. Ltd., P.O. Box 8710, Accra; Cable: Tourdev; Telex: 2140 Akuatours; Phone: 74201.

3634329 — AUSTRALIA — Seeks license to manufacture electric hot plates, 240 v/50 Hz. Will consider importing some components. Relatively new product in Australian market, with annual sales potential of $750,000 plus. Company official will travel to U.S. on short notice. A.T. Selvay, General Manager, Australec Element Co., Div. of Kemtron, P.O. Box 63, Fawkner, Victoria 3060; Cable: Austemp Melbourne 8; Telex: Kemto AA33010; Phone: 03/3596000.

Communications equipment

● **36610—GUATEMALA**—Secretaria de la Division de planeamiento y Diseno, 50 Piso, Guatel, 7A. Ave. 12-39 Zona 1, Guatemala, has issued tender No. 8-75 for 60,000 telephone sets as part of 55.000-line expansion in Guatemala City and 5,000-line expansion in various rural communities, all under first phase of Guatel S. Telecommunication Plan 1975-78. Bid deadline Dec. 16. Firms wishing to bid must have local representative. Purchase financed with $26 million loan from World Bank. Copy of specifications available from above address for $10.

Important Notice

Member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specified types of business relationships with the State of Israel. It is possible that U.S. firms responding to trade or investment opportunities from Arab countries published herein may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that pursuant to Section 3(5) of the Export Administration Act of 1969, as amended, it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request U.S. concerns engaged in the export of articles, materials, supplies, or information to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting such restrictive trade practices or boycotts. Accordingly, U.S. concerns receiving such requests to participate in a restrictive trade practice or boycott are encouraged and requested to refuse to comply with them.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such receipt to the Department of Commerce in accordance with Section 369.2 of the above-cited regulations.

● **36610 — IVORY COAST** — Ministry of Posts and Telecommunications has issued tender No. 75-1286/OPT/DGT/DPE/M for supply and installation of telephone communication materials in framework of extension program and modernization of telecommunication. Bid deadline Dec. 20. Jointly financed by IBRD and Office Des Postes Et Telecommunications. Copy of specifications free from Ministry.

● **36610—MALAYSIA**—Director-General of Telecommunications, Telecommunications Department, Jalan Bukit Makhamah, Kuala Lumpur, has issued tender for supply of 7-11 GHZ portable TV/telephony radio link equipment. Bid deadline Dec. 17. Copy of specifications available from above address for $20.

● **36620—ALGERIA**—Bureau D'Equipment, 1 Avenue De L'Independence, Algiers, has issued tender No. 23-75 for supply of meteorological communication equipment including transmitter; transmitting antennae; transmitter remote control apparatus, etc. Bid deadline Dec. 6. Copy of specifications in French available on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

● **36620—BRAZIL**—Secretaria da Seguranca Publica, Rua Brigadeiro Tobias 527, 3 Andar, 1032 Sao Paulo (SP), has issued tender for supply of electronic lie detecting equipment (polygraph). Bidders requested to include in offers training program for at least one operator. Request correspondence be sent through Consulate General, Sao Paulo, Economic/Commercial Section, APO New York 09676.

● **36620—INDIA**—Northeast Frontier Railway, Maligaon, Gauhati 11, Assam, has issued tender No. 2/50/75/0085/OT/87/75 for panels and spares for 7 GHZ microwave communication equipment (trans receiver TR-7GS-60-3A). Bid deadline Dec. 8. Copy of specifications available from above address or Director General, India Supply Mission, Washington, D.C., $3.39 per set.

Instruments for measurement, analysis and control

38210—PHILIPPINES — Frank T. Smith, Jr., Resident Manager, Camp Dresser & McKee International Inc., P.O. Box 1251 MCC, Makati, Rizal, Philippines is soliciting complete specifications and technical data by airmail for supply of code water meters, all types and sizes, for domestic, commercial and industrial uses.

● **38250 — INDIA** — Chief Engineer, Electricity (Genl. Purchase), Karnatka Elect. Board, Cauvery Bhavan, P.B. No. 5315, Bangalore 50009, has issued tender No. IDA/REC/KEB/4 for supply of 20,000 single-phase meters 230 V, 2 wire-5,000 3 ph. meters, 400 V. Bid deadline Jan. 20. Copy of specifications available from above address for $6.75.

Surgical, medical, dental instruments

38410—PHILIPPINES — Dr. Hector Baens, Chief, Intensive Care Unit and Perfusion Team, Philippine Heart Center for Asia, East Ave., Quezon City, needs latest surgical/medical materials and equipment for heart transplant/operation activities. Dr. Baens is looking for reliable suppliers and wishes to receive technical specifications, availability, and possible price indications. Philippine Heart Center for Asia is a governmental hospital.

Photographic equipment, supplies

● **38610 — TURKEY** — Kara Kuvvetleri Komutanligi, Ikmal Dairesi Baskanligi, Ankara (Land Forces Command), has issued tender for supply of photo-film center equipment and photo-film consumables. Bid deadline Dec. 1. Copy of specifications available from above address.

Manufacturing industries

3999998—JAPAN — Mannequins, male and females of all ages, for displaying clothes; estimated annual purchase $20,000. Buyer wishes to purchase directly from U.S. firms. Will consider agency agreement if U.S. mannequins are competitive. Buyer is manufacturer, importer, distributor and retailer of mannequins, showcases, and various other display equipment. Capital $30,000. 1974 sales $1.6 million. Ref. Sanwa Bank, Semba Branch, Osaka. Reply to—Mr. Seiji Nakano, Pres., Nakano Mannequin Co., Ltd., 31 Minami-Kyuhoji-Machi 3-Chome, Higashi-Ku, Osaka 541. Tel: 06-251-9551.

Scrap materials

5093XXX—PAKISTAN—Iron & steel scrap conforming to international specifications HMS no. 1, 100 percent. Quantity re-meltable, 30,000 tons and re-rollable, 10,000 tons. Value approximately $4.5 million. Medium-size concern engaged in importing and indenting iron and steel scrap. Presently imports from Beirut, Singapore, U.K. and France. Wishes to import for sale to others. Requests C and F Karachi quotations against irrevocable confirmed L/C. Also interested in long-term agency arrangements. Marketing territory all Pakistan. Firm claims $5 million annual sales. Employs 15 incl. 2 salesmen and 2 technical personnel. Dir. sale & agency. Reply to—Farooq Javed, Gen.

Mgr., De Solbena Birds, 72-A South Sea View Ave., Defence Society, Karachi. Cable: "SOLBENA" KARACHI: Telephone: 541705.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Yarn, thread mills, products

2281431 — SOUTH AFRICA — Acrylic high bulk yarns, dyed on cones, all counts. Redundant, second-quality, reject or surplus. Firm, with good reputation & efficient marketing program, seeks to purchase 100 tons/annum. Financial ref: French Bank of SA, Jonannesburg. Reply ASAP by telex to—Telex 8/0682 SA: Dan Gonski, Dir., Max Gonski & Sons (Pty) Ltd., P.O. Box 7430, Johannesburg 2000. Tel 011/229947.

Farm machinery

352365X—FRANCE — Round-balers. Estab. 1950. Capitalized at 3 million francs, importer, distributor of farm machinery equip. Staff of 65. Marketing territory covers France. Bank ref: Banque Nationale de Paris, 02400 Chateau-Thierry. Reply to—Mr. J. B. Franquet, Gen. Mgr., Blanchot S.A., 22 Ave. de L'Europe, B.P. 38, 02400 Chateau-Thierry. Telex: 14249 Blancho-Chaty; phone: 83-09-80.

Household appliances

3634329—AUSTRALIA — Cast electric hot plates for domestic cookers. This is relatively new product to Australian market, with annual sales potential of $750,000 plus. Due to electrical requirements, 240v/50hz mfr. under license appears only real possibility for U.S. suppliers to enter Australian market. Prepared import major components if required. Selvay or other co. exec. prepared travel U.S. at short notice to discuss subject in detail with interested U.S. suppliers. Reply to—A. T. Selvay, Gen. Mgr., Australec Element Co., Div. of Kemtron Group of Companies, P.O. Box 63, Fawkner, Victoria 3060. Cable: Austemp Melbourne 8; telex Kemto AA33010; phone 03/3596000.

UNDP Projects Need Expertise, Equipment

The United Nations Development Program (UNDP) has recently approved 34 requests for financial and technological assistance from 21 countries and regions. These projects are listed below, with the potential opportunities for subcontracting or procurement of equipment, or both, shown in parentheses.

Interested U.S. firms may obtain copies of these project summaries from the Export Information Reference Room, Office of Export Development, Room 1063, Attn: Betty W. Patrick, U.S. Department of Commerce, Washington, D.C. 20230. Please include a self-addressed label with your request, and identify each project summary desired by project number, country, and title. If the booklet, *UNDP Business Guide*, would be useful, please so indicate.

AFG/72/003 — AFGHANISTAN — Industrial services (equipment).

AFG/74/022 — AFGHANISTAN — Faculty of veterinary science, University of Kabul (equipment).

ALG/70/510—ALGERIA — Higher institute for technical teacher training (ENSEP), Oran (equipment).

BGD / 72 / 013 — BANGLADESH — Strengthening statistical services (equipment).

BOL/74/028—BOLIVIA — Integrated agricultural development in the Altiplano (equipment).

BOL/74/031—BOLIVIA — Forest inventory and management (subcontracts/equipment).

BUL/71/508 — BULGARIA — Broadening the scope of the Shipbuilding Design and Research Institute, Varna (subcontracts/equipment).

BUR/74/045—BURMA — Telecommunication and postal training center, Rangoon (equipment).

BUR/72/002—BURMA—Geological survey and exploration project (equipment).

BUR/74/053—BURMA — Expansion of epidemiological surveillance (equipment).

EGY/74/008—EGYPT — Science centre for advancement of post-graduate studies, University of Alexandria (equipment).

EGY/73/023—EGYPT—Assistance to hydraulic research and experiment station (equipment).

INT/71/034—INTERREGIONAL — Indian Ocean fishery survey and development program (subcontract/equipment).

INT/72/074—INTERREGIONAL — Development of fisheries in the eastern central Atlantic (equipment).

JOR/75/011—JORDAN — Integrated agricultural development of rainfed areas (equipment).

JOR/74/003—JORDAN — Establishment of a graduate science studies program and technical research (equipment).

JOR/75/001—JORDAN—Film and video production for development support (equipment).

JOR/75/002—JORDAN—Identification of manufacturing industry projects and feasibility study for industrial estates (subcontract).

JOR/75/009—JORDAN — Postal development (equipment).

MOR/73/016 — MOROCCO — Management and improvement of forest pastures (equipment).

PHI/74/004 — PHILIPPINES — Assistance to the Metals Industry Research and Development Centre (equipment).

PHI/75/006 — PHILIPPINES — Luzon roads feasibility study (subcontract/equipment).

ROK/75/017—KOREA—Naktong River over-all development (subcontract/equipment).

RAS/73/003—REGIONAL — Development of Regional Civil Aviation Training Centre, Bangkok (equipment).

SUD/71/545—SUDAN—National Health Service (equipment).

SUD/72/549—SUDAN — Hydraulic research station, Wad Medani (subcontract/equipment).

SUD/72/035—SUDAN — Institute for agricultural technicians in the southern region (equipment).

SUD/75/020—SUDAN — Tokar Delta (hydrology) planning program (equipment).

THA/72/026—THAILAND — National service for technical skill promotion (equipment).

TUR/71/531 — TURKEY — Transport planning technical assistance (subcontracts).

UGA/72/007—UGANDA — Production and processing of cashewnuts (equipment).

YEM/73/010—YEMEN — Central Agricultural Research and Training Organization (equipment).

YUG/74/025—YUGOSLAVIA — Radiation unit for industrial application of ionizing radiation (subcontract/equipment).

ZAI/71/013—ZAIRE—Assistance to agricultural department of SOFIDE (subcontract/equipment).

Future Construction Abroad

HONDURAS — Contractors invited to prequalify for construction of **150 km. of highway between El Progreso and Yoro.** Firms may prequalify for any one or combination of the four sections to be tendered by writing for prequalification documents to Ing. J. Roberto Romero Larios, Director General, Unidad Ejecutora Del Prestamo Bid 425/SF-HO, Direccion General De Caminos, Ministerio De Communicaciones, Obras Publicas Y Transporte, Barrio La Bolsa, Comayaguela, Honduras. Deadline for submission Nov. 21. Each section consists of cutting and clearing trees, class A excavation, sub-base, and base. Tender will be financed by Inter-American Development Bank. OPIC.

NEW ZEALAND—New Zealand Steel Ltd. (NZS), Private Bag, Glenbrook, Auckland, is in advanced stages of planning a **large expansion of steel production.** Much of the expansion will be directed into increased capacity of present direct reduction steelmaking process. This tends to pre-determine sourcing of most major items of equipment. Unlikely that U.S. firms would be able to furnish any large proportion of new equipment. However, in a project of this size some opportunities will exist. Total cost of expansion plan will be $350-400 million. NZS's steel-making process based on direct reduction of iron sands found along west coast of New Zealand's North Island. Plan now contemplated will involve going into flat-rolled steel production, which would necessitate trebling present iron and steelmaking capacity. To accomplish this, company considering installing new kiln, much larger than existing Lurge process kilns. On upward integration side. NZS considering installation of about 800,000 tons per year of hot rolling capacity. Rolling mill would probably be principal equipment in which U.S. companies would be competitive. In short run NZS installing a color coating line for galvanized sheet. NZS expects approval of New Zealand Government will be forthcoming soon.

BOLIVIA — A report from the American Embassy in La Paz giving the status of **hospital construction projects and equipment requirements** is available from U.S. Department of Commerce, Trade Opportunities Program, Rm. 2321, Washington, D.C. 20230 OPIC.

COLOMBIA—Colombia is carrying out a dynamic **electrification program.** Eight important electricity generation projects will begin operations during 1975-1978, adding 1,122 MW to current installed capacity (3,285 MW). Around U.S $389 million will be invested in these projects. 39 percent financed by foreign credits. A report from the American Embassy in Bogota giving information on government-approved and planned projects is available from U.S. Department of Commerce, Trade Opportunities Program, Rm. 2321, Washington, D.C. 20230.

INDIA—International Development Association has approved a $40 million line of credit to finance **Uttar Pradesh water supply and**

sewerage project. Project expected to be completed by March 1979, and forms part of the State's Fifth Five-Year Plan which aims at improving water supply and sewerage systems in five largest cities (Kanpur, Agra, Varanasi, Allahabad and Lucknow) and about 2,000 villages and small towns in Districts of Bundelkhand, Kumaon and Garhwal. Cost estimated at $75 million, including foreign exchange component of about $11 million. Details of items to be procured not yet determined. However, foreign suppliers are likely to have opportunities to offer bids for such specialized equipment as well-drilling rigs, heavy-duty pumps, large-sized valves, meters, water and sewerage treatment instrumentation and control systems. Project will be implemented by: A. C. Chaturvedi, Managing Director, U. P. Jal Nigam, Lucknow, Uttar Pradesh. OPIC.

The Overseas Private Investment Corp. (OPIC) offers political risk insurance to U.S. construction firms planning to submit bids on projects in certain developing countries, identified by the "OPIC" notation at the end of some items. For further information on OPIC's construction insurance program, write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202-632-1854.

IRAN—Stadler-Hurter, Ltd., wholly-owned Canadian subsidiary of International Systems and Controls of Houston, is prequalifying prime contracts for construction of **$100 million pulp and paper mill complex,** with production capacity of 700 tons per day. This turnkey project under auspices of Ministry of Industry and Mines is to be built in Mazandaran area near Caspian Sea. Heavy industrial contractors with international experience are invited to obtain prequalification documents by writing or telexing: Project Director, Stadler-Hurter Iran, Ltd., Valeeahd (also spelled Vali-Ahd) Square, P.O. Branch 14, P.O. Box 41/851, Tehran; telex: Stadler Hurter 212767 Tekair. No closing date for receipt of prequalification documents specified. Eligible bidders will be notified of closing date for proposals. OPIC.

LIBYA—General Ports and Lights Authority is seeking firms interested in **dredging, reclamation and civil works for Tripoli Harbor, Stage 2B.** Brief description of contract and procedure for prequalification of tenderers available from William S. Gaines, U.S. Department of Commerce, CAGNE-Room 3015, Washington, D.C. 20230, phone 202-967-4441.

QATAR—Government will shortly begin prequalifying limited number of contractors for construction of **$65 million university** in Doha. Interested firms should telex brief statement of qualifications emphasizing experience on related projects, particularly in Near East. Firms may follow telex with more detailed information, brochures, etc. Telex: 4297 Amiri DH, Attn: Hisham Qaddoumi, Mailing address: Mr. Hisham Qaddoumi, Technical Advisor to the Amir, P.O. Box 923, Doha, Qatar. Prequalification information should also be sent to consultants: Ove Arup and Partners, 13 Fitzroy St., London WIP 6BQ; telex: 263935.

SUDAN—Storage and Silos Corp., a subsidiary of State Trading Corporation, has responsibility for a $95 million investment to **expand the grain handling, storage, and transportation network.** Includes expansion of Port Sudan's grain handling facility to 400 MT; silos at Khartoum North, Barakat, New Halfa, Dinder and Habila; construction of two 50,000-MT silos at Damazin and Renk; construction of 70 warehouses throughout the country with capacities from 6-10,000 MT each; importation and operation of a fleet of 350 trailer trucks, including 210 long distance 6X4 units; and importation and installation of a 7-station, radio control system. U.S. firms interested can request further details from Sayed Abdel Rahman Medani, Managing Director, Storage and Silos Corp., P.O. Box 1133, Khartoum. Proposals should include finance package.

SAUDI ARABIA—Ministry of Health's Five-Year Plan has projected expenditures of nearly $5 billion for procurement and projects concerning construction and operation of current and new general hospitals, specialized hospitals, dispensaries, health centers, district dispensaries (polyclinics), specialized facilities (providing services such as bilharzia and malaria control, chest disease clinics, and mother and child health centers), support services, health offices and mobile health services. Sufficient funds have been allocated for construction of 69 new hospitals throughout the Kingdom, with minimum of 7,300 beds. In addition, Ministry has funds for 26 hospitals for maternity, pediatrics, chest and psychological disorders able to accommodate 3,900 beds. Ministry also intends to establish cancer research institute.

Interested firms may write: Office of Rashed Salah Al-Bakr, Director General of Planning and Programming, Ministry of Health, Riyadh.

Important Notice

Member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specified types of business relationships with the State of Israel. It is possible that U.S. firms responding to trade or investment opportunities from Arab countries published herein may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that pursuant to Section 3(5) of the Export Administration Act of 1969, as amended, it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request U.S. concerns engaged in the export of articles, materials, supplies, or information to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting such restrictive trade practices or boycotts. Accordingly, U.S. concerns receiving such requests to participate in a restrictive trade practice or boycott are encouraged and requested to refuse to comply with them.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such receipt to the Department of Commerce in accordance with Section 369.2 of the above-cited regulations.

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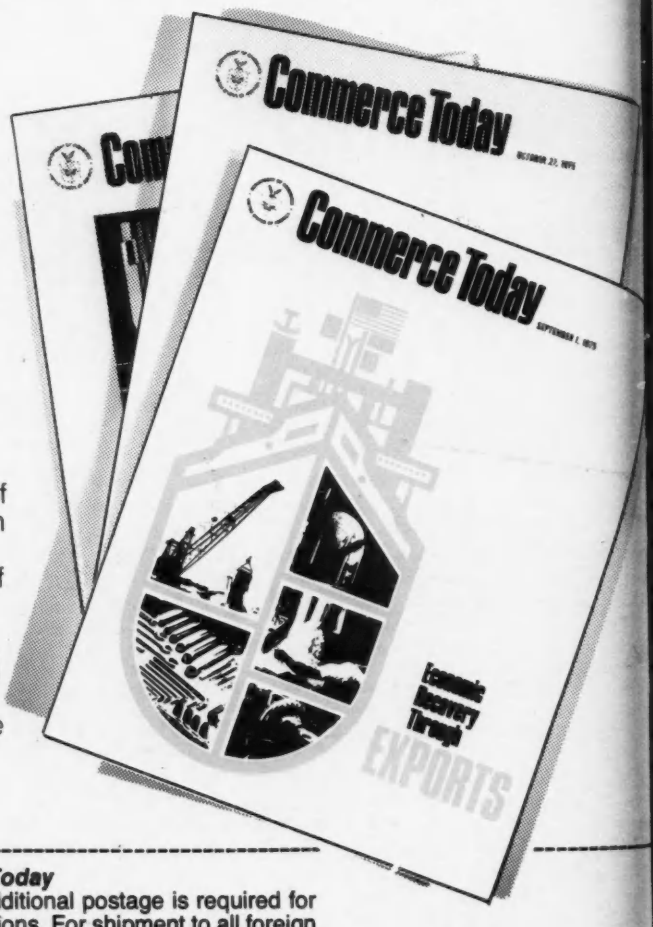

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